SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into this ____ day of November 2015 by (i) Schirrell Johnson, Lisa Alexander, and James Goan (collectively, "Relators"), (ii) their Counsel, (iii) the State of California by and through the California Insurance Commissioner, Dave Jones, in his capacity as the Insurance Commissioner ("Commissioner"), and (iv) Warner Chilcott Sales (U.S.) LLC ("WC"). All of the above together will be referred to as "the Parties."

WHEREAS, WC is a for-profit limited liability company organized under the laws of Delaware with its principal place of business in Parsippany, New Jersey;

WHEREAS, WC distributed, marketed and sold pharmaceutical products in the State of California, including drugs sold under the following trade names: Actonel®, Asacol®, Asacol HD®, Atelvia®, Doryx®, Enablex®, Estrace®, Loestrin 24 Fe®, and Lo Loestrin® (collectively, "the Subject Drugs");

WHEREAS, in October 2013, Warner Chilcott plc, WC's indirect parent corporation, became a wholly-owned subsidiary of Actavis, plc.

WHEREAS, on November 30, 2012, Relators filed an action against Warner Chilcott plc and certain other WC-related entities (collectively with WC, "WC-related entities") in California Superior Court, Case No. BC496620-MHS, that was ultimately unsealed and removed to the United States District Court for the Central District of California, Case No. 2:14-cv-03249-DMG-JC (collectively and as amended, "the Action"), alleging claims based on California Insurance Code § 1871.7;

WHEREAS, Relators and the Commissioner allege that they have certain civil claims against the WC-related entities for engaging in the following conduct (hereinafter referred to as the "Covered Conduct":

1. Relators and the Commissioner allege that during the period January 1, 2009, through March 31, 2013, the WC-related entities knowingly offered and paid illegal remuneration to physicians throughout California to induce them to prescribe the Subject Drugs, in violation of California Insurance Code § 1871.7. The illegal remuneration consisted of payments, honoraria, meals, snacks, and gifts associated with medical education events, which included speaker programs, speaker training, dinners, lunches, receptions, preceptorships, and in-office programs. These events were used as a way to pay remuneration to physicians and other health care providers. The company required sales representatives to conduct a minimum number of medical education events, which often were held at up-scale restaurants, contained minimal or no educational component, and were instead used to gain a "competitive advantage" over competitors.

2. Relators and the Commissioner allege that during the period January 1, 2011, through March 31, 2013, the WC-related entities assisted healthcare professionals with prior authorization requests, non-formulary exception requests, coverage determination requests, and appeals documentation throughout California in order to ensure coverage and reimbursement of the drug Atelvia® and to overcome formulary restrictions that favored less expensive oral bisphosphonate drugs. WC-related entities' personnel routinely completed the required prior authorization forms, including both paper and electronic versions, or coached healthcare professionals regarding the content to use on required forms, in many cases using information that was false, inaccurate, misleading, or of unknown application to the particular patient. The WC-related entities also submitted prior authorization requests through www.covermymeds.com, a web-based software application that allows health care professionals and pharmacists to submit prior authorization requests more efficiently. In particular, certain WC-related entities' sales representatives posed as health care professionals in order to gain access to www.covermymeds.com that was otherwise not available to them, and thereafter they submitted numerous prior authorization requests for Atelvia®, many of which contained information that was false, inaccurate, misleading, or of unknown application to the particular patient.

WHEREAS, as a result of the foregoing Covered Conduct, Relators allege that the WC-related entities knowingly caused false or fraudulent claims for the Subject Drugs to be submitted to, or caused the Subject Drugs to be purchased by, California insurers;

WHEREAS, the Commissioner declined to intervene in the Action but retained all other rights granted by California Insurance Code § 1871.7;

WHEREAS, the WC-related entities deny the material allegations asserted in this Agreement and in the Action, but nevertheless wish to compromise, settle, resolve and conclude the Action;

WHEREAS, on such date as may be determined by the assigned Court in the United States District Court for the District of Massachusetts, WC will plead guilty pursuant to Fed. R. Crim. P. 11(c)(1)(C) to an Information to be filed in *United States v. Warner Chilcott Sales (U.S.) LLC*, Criminal Action No. [to be assigned] (D. Mass.) (the "Criminal Action");

WHEREAS, the Commissioner claims entitlement to a share of the proceeds of this Settlement Agreement;

WHEREAS, Relators claim entitlement to a share of the proceeds of this Settlement Agreement and entitlement to reasonable expenses, attorneys' fees and costs;

WHEREAS, Relators have obtained consent to dismissal of the Action with prejudice as to Dave Jones, in his capacity as the Insurance Commissioner of the State of California, and intend to file such dismissal of the Action, in accordance with paragraph 13;

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, the Parties hereby agree:

1. WC shall pay the total sum of Twenty-Three Million Two Hundred Fifty Thousand Dollars ($23,250,000) ("the Settlement Amount"), in full and final settlement and discharge of claims brought in the Action (except for Relators' entitlement to reasonable, documented attorneys' fees, costs and expenses), or which could have been brought in the Action. Such payment shall be made within ten (10) calendar days of full execution and delivery

of this Agreement containing a full release of claims as detailed below. WC shall pay the California Department of Insurance 51 percent of the Settlement Amount ($11,857,500) by check made payable to the California Department of Insurance, referencing *U.S. ex rel Johnson v. Warner Chilcott*; LIQT-2012-00022:

Mailing Address:
California Department of Insurance
Accounting Services Bureau
300 Capitol Mall, Suite 14000
Sacramento, CA 95814
Attn: Cashiering

Contact Name:
Merita Chung, Chief
Accounting Services Bureau
California Department of Insurance
(916) 492-3451
Merita.Chung@insurance.ca.gov

WC shall pay Relators 49 percent of the Settlement Amount ($11,392,500) pursuant to written wire instructions from Relators' Counsel. WC shall have no responsibility for the allocation of the Settlement Amount between and among the State of California, Commissioner, Relators, or their Counsel, and after paying the sums above in full, WC shall have no further liability for payment of any further sum of any kind or nature whatsoever, except that WC shall also pay the reasonable, documented attorneys' fees, costs and expenses recoverable under California Insurance Code § 1871.7 for work performed by Relators' Counsel, to be set forth in a separate agreement.

2. Following WC's sentencing in the Criminal Action, WC has agreed to be permanently excluded from Medicare, Medicaid and all other federal healthcare programs, including such programs serving California beneficiaries. In addition, WC agrees that it will not engage in the Covered Conduct in the State of California.

3. In consideration of the obligations of WC set forth in this Agreement, and conditioned upon WC's full payment of the Settlement Amount, Dave Jones in his capacity as the Insurance Commissioner of the State of California, hereby fully and finally releases, acquits, covenants not to sue, and forever discharges WC, together with its current and former direct and indirect parent corporations, and each of their current and former direct and indirect subsidiaries, brother and sister corporations, divisions, and affiliates; and each of their current and former owners, officers, directors, and employees; and the predecessors, successors, assigns, and transferees of any of them (the "WC Released Parties") for all time and to the fullest extent allowed by law, from any and all suits, arbitrations, claims, demands, actions, rights, obligations, limitations, claims, claims for relief, charges, actions, rights, and causes of actions, of any kind, character, or nature whatsoever, arising in any way out of or connected in any way with the facts, claims, and circumstances alleged in the Action and/or the Covered Conduct, whether known or unknown, fixed or contingent, in law or in equity, or in contract or tort, including but not limited to any and all penalties, fines, assessments, trebling, disgorgements, overcharges, costs, fees, expenses, or general or special damages of any kind or nature (the "Commissioner's Released Claims"). This release excludes claims related to any potential breach of this Agreement. Additionally, this release excludes any and all claims related to *U.S. ex rel. et al. Lisa Alexander, et al, v. Warner Chilcott plc, et al*, Civil Action No. 11-cv-10545, pending in Massachusetts federal court.

4. Conditioned upon WC's full payment of the Settlement Amount and payment of Relators' reasonable attorneys' fees, costs and expenses, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release the WC Released Parties from any and all claims, claims for relief, actions, rights, causes of actions, suits, debts, obligations, liabilities,

demands, losses, damages (including treble damages and any civil penalties), punitive damages, penalties, and costs including, but not limited to, attorneys' fees and court costs, and expenses of any kind, character or nature whatsoever, known or unknown, fixed or contingent, in law or in equity, in contract or tort, or under any state or federal statute or regulation or otherwise which Relators would have standing to bring, including claims Relators asserted or could have asserted against the WC Released Parties arising in any way out of or connected in any way with the facts, claims, and circumstances alleged in the Action (the "Relators' Released Claims"). This release excludes claims related to any potential breach of this Agreement. Additionally, this release excludes any and all claims related to *U.S. ex rel. et al. Lisa Alexander, et al, v. Warner Chilcott plc, et al*, Civil Action No. 11-cv-10545, pending in Massachusetts federal court.

5. The Commissioner's Released Claims and the Relators' Released Claims are referred to herein as the "Released Claims."

6. Conditioned upon WC's full payment of the Settlement Amount and payment of Relators' reasonable attorneys' fees, costs, and expenses, Relators and the Commissioner, in his capacity as the Commissioner of the State of California, and Relators covenant and agree that they, individually and collectively, will not sue, sue further, or otherwise prosecute in any way, or pursue claims of any nature, against any WC Released Parties with respect to any of their own respective Released Claims. It is expressly agreed, intended, and understood by the Parties that this Agreement is a complete accord and satisfaction of any and all of the claims that the Commissioner, in his capacity as the Commissioner of the State of California, and/or Relators may, have or may have had against the WC Released Parties with respect to any of their own respective Released Claims. This paragraph is not intended and does not apply to any and all

claims related to *U.S. ex rel. et al. Lisa Alexander, et al, v. Warner Chilcott plc, et al*, Civil Action No. 11-cv-10545, pending in Massachusetts federal court.

7. The Relators and WC Released Parties have conducted all their own due diligence regarding the Released Claims and all matters related to the Released Claims. This Agreement is expressly intended to release known and unknown claims, including all past, present, and future rights of action arising out of the Released Claims, and to the extent it applies Relators and WC Released Parties expressly waive application of Section 1542 of the Civil Code of the State of California, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

8. WC Released Parties, including their successors, attorneys, agents, and assigns, fully and finally release Relators and their Counsel, and their respective successors, assigns, and agents, from any claims that WC has asserted, could have asserted, or might have asserted in the future against Relators or their Counsel with respect to any Released Claims. This release excludes any claims by WC Released Parties related to any potential breach of this Agreement and any of the WC Released Parties' defenses or claims as to Relators' or Relators' counsel's claims for reasonable, documented attorneys' fees, costs and expenses under California Insurance Code § 1871.7.

9. Conditioned upon Relators' receipt of the payment set forth in Paragraph 1, Relators and their Counsel agree to hold the WC Released Parties free and harmless from any claims resulting or arising from any failure by Relators to make any payment of any kind to their Counsel or any disputes involving the allocation of payments among Counsel.

10. With respect to the payment set forth in Paragraph 1, Relators understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on the payment by WC to Relators called for by this Agreement.

11. Conditioned upon Relators' receipt of the payment set forth in Paragraph 1, and any other conditions herein, Relators stipulate and agree that, except as permitted herein, the terms and conditions of this Agreement shall be maintained in confidence and shall not be disclosed, caused to be disclosed, made public, disseminated, released, or otherwise referenced, alluded to, or suggested to any person not an attorney of a party hereto, in any manner whatsoever, other than on an as-needed and confidential basis to their attorneys, accountants and other tax or financial advisors, spouses, insurers, financial institutions, prospective employers, and to any government agency or as otherwise required by law. This paragraph does not apply to any disclosures made by third parties, including the State of California, not caused by Relators. Additionally, this paragraph does not limit, restrict, or constrain in any way purely factual statements and/or factual or legal positions of, by, or made on behalf of Relators in any future deposition, sworn testimony, lawsuit, or other legal or court proceeding.

12. The Relators and WC shall refrain from making any public statement that is disparaging of one another regarding the Released Claims. This paragraph does not limit, restrict, or constrain in any way any purely factual statements and/or factual or legal positions of, by, or made on behalf of a Party in any future deposition, sworn testimony, lawsuit, or other legal or court proceeding, or communications with any governmental agency.

13. Upon receipt of payment in full in accordance with Paragraph 1, Relators shall promptly dismiss the Action with prejudice as to Relators and Dave Jones, in his capacity as the Commissioner of the State of California. This Agreement may be pleaded as a full and complete

defense to, and may be used as the basis for an injunction against, any action, suit, arbitration demand, or other proceeding that may be instituted, prosecuted, or attempted, arising out of or in any way related to the Released Claims.

14. This Agreement is not an admission of facts or liability by WC. This Agreement is also not a concession by Relators or their Counsel that their claims are not well-founded. Neither this Agreement, its execution, nor the performance of any obligation under it, including any payment, nor the fact of the settlement, is intended to be, or shall be understood as, an admission of liability or wrongdoing, or other expression reflecting upon the merits of the dispute, by WC.

15. This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by a written agreement signed by all of the Parties hereto.

16. The Parties to this Agreement agree that no particular Party shall be deemed to be the author of this Agreement or any particular term, provision or condition of this Agreement. The Parties further agree that any ambiguities in this Agreement shall be resolved, and the terms, provisions, and conditions of this Agreement shall be construed and interpreted without regard to which Party may have suggested, drafted, revised, or otherwise authorized this Agreement or any of its particular terms, provisions, or conditions. The Parties further agree that this Agreement shall be construed and interpreted as if drafted jointly.

17. Each Party to this Agreement represents and warrants that such Party has the full right and authority to execute this Agreement. The signatories for the Parties hereto represent and warrant that they have been granted specific authority by their respective principals to execute the Agreement on behalf of the Party. Where applicable, all corporate, partnership, or

other organizational action necessary to authorize such execution has been taken and completed. The signatory of each Party to this Agreement has the full right and authority to commit and bind each respective Party to the fullest extent of the law.

18. The Parties acknowledge that they have obtained the advice of legal counsel before signing this Agreement. The Parties acknowledge that they made the decision to execute this Agreement freely and without coercion by any person, party or individual. The Parties acknowledge that, in entering into this Agreement, they are not relying on any statements or representations except those set forth in this Agreement.

19. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement is the United States District Court for the Central District of California, which shall retain jurisdiction of this matter for the purpose of enforcing this Agreement.

20. This 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. Counsel for the Parties shall exchange among themselves original signed counterparts. For purposes of this Agreement, a facsimile of a signed counterpart shall be deemed an original.

21. In the event any portion of this Agreement is declared void by a court, such portion shall be severed from this Agreement, and the remaining provisions shall remain in effect, unless the effect of such severance would be to materially alter the Agreement or obligations of the Parties, in which case the Agreement may be immediately terminated.

22. The recitals are hereby incorporated into this Agreement by this reference.

23. This Agreement is effective on the date of signature of the last signatory to the Agreement.

DATED: 11/3/15

By: _____
John Finston, General Counsel and
Deputy Insurance Commissioner

DATED: 11/13/15

By: _____
A. Robert D. Bailey
Warner Chilcott Sales (U.S.) LLC

DATED: 11/12/15

By: _____
Matthew J. O'Connor
Ronald G. Dove, Jr.
Covington & Burling LLP
Counsel for Warner Chilcott Sales (U.S.) LLC

DATED: 11-5-15 By: _____
Schirrell Johnson

DATED: _____ By: _____
Lisa Alexander

DATED: _____ By: _____
James Goan

DATED: _____ By: _____
W. Scott Simmer, Simmer Law Group PLLC,
Counsel for Relators

DATED: _____ By: _____
Steve Molo, MoloLamken, LLP,
Counsel for Relators

DATED: _____ By: _____
Stephen A. Weiss, Seeger Weiss LLP,
Counsel for Relators

DATED: _____ By: _____
Schirrell Johnson

DATED: 11/4/2015 By: Lisa A. Alexander
Lisa Alexander

DATED: _____ By: _____
James Goan

DATED: _____ By: _____
W. Scott Simmer, Simmer Law Group PLLC,
Counsel for Relators

DATED: _____ By: _____
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