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10  
11 **SUPERIOR COURT OF ARIZONA**  
12 **IN MARICOPA COUNTY**

13 STATE OF ARIZONA, *ex rel.* KRISTIN K.  
14 MAYES, Attorney General,  
15  
16 Plaintiff,  
17  
18 v.  
19  
20 JOHNSON & JOHNSON,  
21  
22 Defendant.

Case No.:

**CONSENT JUDGMENT**

(Assigned to the Hon. )

23 Plaintiff State of Arizona, *ex rel.* Kristin K. Mayes, Attorney General (“Plaintiff”) has filed  
24 a Complaint for a permanent injunction and other relief in this matter pursuant to the Arizona  
25 Consumer Fraud Act, A.R.S. §§ 44-1521 to -1534 (“CFA”) alleging that Defendant Johnson &  
26 Johnson (“Defendant”) committed violations of the CFA. Plaintiff, by its counsel, and Defendant,  
27 by its counsel, have agreed to the entry of this Consent Judgment (“Judgment”) by the Court  
28 without trial or adjudication of any issue of fact or law, and without finding or admission of  
wrongdoing or liability of any kind.

1 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

2 **I. PARTIES**

3 1.1 The State of Arizona, *ex rel.* Kristin K. Mayes, Attorney General is the Plaintiff in  
4 this case. The Arizona Attorney General is charged with, among other things, the responsibility  
5 of enforcing the CFA.

6 1.2 Johnson & Johnson is the Defendant in this case and engaged in trade or commerce  
7 in the State of Arizona. Defendant is a New Jersey company with executive offices located at One  
8 Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.

9 **II. FINDINGS**

10 2.1 This Court has jurisdiction over the subject matter of this lawsuit and over all Parties  
11 and venue is proper before this Court.

12 2.2 The terms of this Judgment shall be governed by the laws of the State of Arizona.

13 2.3 Entry of this Judgment is in the public interest and reflects a negotiated agreement  
14 among the Parties.

15 2.4 The Parties have agreed to resolve Plaintiff's allegations and claims against  
16 Defendant resulting from the Covered Conduct by entering into this Judgment.

17 2.5 Defendant is willing to enter into this Judgment regarding the Covered Conduct in  
18 order to resolve Plaintiff's allegations and claims against Defendant under the CFA as to the  
19 matters addressed in this Judgment and thereby avoid significant expense, inconvenience, and  
20 uncertainty associated with their adjudication.

21 2.6 Defendant is entering into this Judgment solely for the purpose of settlement, and  
22 nothing contained herein may be taken as or construed to be an admission or concession of any  
23 violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or  
24 wrongdoing, all of which Defendant expressly denies.

25 2.7 This Judgment shall not be construed or used as a waiver or limitation of any defense  
26 otherwise available to Releasees in any other action, or of Releasees' right to defend from, or  
27 make any arguments in, any private individual action, class claims or suits, or any other  
28 governmental or regulatory action or public forum relating to the subject matter or terms of this

1 Judgment. This Judgment is made without trial or adjudication of any issue of fact or law or  
2 finding of liability of any kind. Notwithstanding the foregoing, Plaintiff may file an action to  
3 enforce the terms of this Judgment.

4 2.8 It is the intent of the Parties that this Judgment not be admissible in other cases nor  
5 be binding on Releasees or Releasors in any respect other than in connection with the  
6 enforcement of this Judgment by the Parties.

7 2.9 No part of this Judgment shall create a private cause of action or confer any right on  
8 any third party for enforcement of this Judgment or violation of any federal or state statute. This  
9 Judgment and its contents are not intended for use by any third party for any purpose, including  
10 submission to any court for any purpose except for enforcement by the Parties.

11 2.10 This Judgment (or any portion thereof) shall in no way be construed to (i) prohibit  
12 Defendant from making any representation, or taking any action, required under federal law or  
13 regulations, or (ii) require Defendant to take any action prohibited by federal law or regulation.

### 14 **III. DEFINITIONS**

15 The following definitions shall be used in construing this Judgment:

16 3.1 “Claims” shall mean any and all civil (i.e., non-criminal) claims, demands, actions,  
17 suits, causes of action, damages, fines, penalties, parens patriae claims, and liabilities and  
18 monetary impositions of any nature, as well as costs, expenses, and attorneys’ fees, whether  
19 known or unknown, suspected or unsuspected, accrued or unaccrued, whether legal, equitable,  
20 statutory, regulatory, or administrative that (i) directly or indirectly are based on or arise out of  
21 the Covered Conduct and (ii) relate to the properties, purity, or safety of talcum powder.

22 3.2 “Covered Conduct” shall mean any Promotional and marketing practices, sales,  
23 and/or dissemination of information to consumers and/or Health Care Providers (HCPs) made,  
24 performed, conducted, directed or engaged in by any of the Releasees regarding Covered Products  
25 up to the Effective Date.

26 3.3 “Covered Products” shall mean baby and body powder products and cosmetic  
27 powder products manufactured, marketed, Promoted, distributed, and/or sold by Defendant or any  
28 J&J-Related Entity in the United States that contain talcum powder, including, but not limited to,

1 Johnson’s Baby Powder and Johnson & Johnson’s Shower to Shower.

2 3.4 “Effective Date” shall mean the date on which a copy of the Judgment is approved  
3 and entered by this Court after its execution and submission by the Parties.

4 3.5 “Health Care Provider” or “HCP” shall mean any physician or other health care  
5 practitioner, who is licensed to provide health care services.

6 3.6 “J&J-Related Entities” means any and all of Defendant’s past or current affiliates,  
7 subsidiaries, divisions, parent companies, predecessors, or successors, including, but not limited  
8 to, Johnson & Johnson Consumer Inc., Johnson & Johnson Consumer Companies Inc., Janssen  
9 Pharmaceuticals, Inc., Janssen Research & Development LLC, Johnson & Johnson Holdco (NA)  
10 Inc., LTL Management LLC, LLT Management, LLC, and Kenvue Inc.

11 3.7 “Multistate Executive Committee” shall mean the Attorneys General and their staffs  
12 representing Arizona, Florida, Illinois, Maryland, New York, North Carolina, Ohio, Oregon,  
13 Texas, and Washington.

14 3.8 “Multistate Working Group” shall mean the Attorneys General and their staffs  
15 representing Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware,  
16 District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky,  
17 Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New  
18 Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon,  
19 Rhode Island, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and  
20 Wisconsin.

21 3.9 “Other Official” shall mean any other Arizona entity, official, or public or  
22 governmental entity within Arizona with authority to bring Claims on behalf of Arizona or on  
23 behalf of or in the name of the people of Arizona. “Other Official” does not include a person or  
24 entity if the Signatory Attorney General lacks power or authority under Arizona law to release or  
25 dismiss Claims of that person or entity as to the Claim at issue.

26 3.10 “Other Released Person(s)” means the entities identified on Exhibit 1 to this  
27  
28

1 Judgment.<sup>1</sup>

2 3.11 “Parties” shall mean the Defendant and Plaintiff.

3 3.12 “Promotional,” “Promoting,” “Promoted,” or “Promote” shall mean representations  
4 made to consumers, HCPs, patients, and/or other customers, and other practices intended to  
5 increase sales or that attempt to influence consumers, patients and/or other customers, and/or the  
6 recommendation practices of HCPs in the United States, including direct-to-consumer marketing.

7 3.13 “Releasees” shall mean Defendant, J&J-Related Entities, and any Other Released  
8 Persons.

9 3.14 “Releasers” shall mean (1) the Signatory Attorney General; and (2) Arizona, to full  
10 extent of the Signatory Attorney General’s authority under Arizona law to release or dismiss  
11 Claims, if any.

12 3.15 “Signatory Attorney General” shall mean the Attorney General of Arizona,  
13 including his/her authorized designees or successors, who has executed this Judgment on behalf  
14 of Plaintiff.

15 3.16 “State Consumer Protection Laws” shall mean the consumer protection laws cited  
16 in Footnote 2 under which the Multistate Working Group conducted an investigation regarding  
17 the Covered Conduct and from which the Multistate Amount and the matters addressed in this  
18 Judgment arise.<sup>2</sup>

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19  
20 <sup>1</sup> Defendant represents and warrants to Plaintiff that each of these entities is a third-party retailer  
21 that sold old Johnson & Johnson Consumer Inc.’s talc-containing products or a third party to  
22 which the Defendant has indemnification obligations. Other Released Persons are released only  
23 to the extent of each Other Released Person’s indemnification or contribution claim against  
24 Defendant and J&J Related Entities.

25 <sup>2</sup> ALABAMA – Ala. Code § 8-19-1, et seq.; ALASKA – Alaska Unfair Trade Practices and  
26 Consumer Protection Act, AS 45.50.471 et seq.; ARIZONA - A.R.S. §§ 44-1521 to -1534;  
27 ARKANSAS – The Arkansas Deceptive Trade Practices Act, Ark. Code Ann. § 4-88-101 et. seq.;  
28 CALIFORNIA – California Business & Professions Code Sections 17200 et seq. and 17500 et  
seq.; COLORADO – C.R.S. § 6-1-105 et seq.; CONNECTICUT – Conn Gen Stat. sec 42-110a;  
DELAWARE – 6 Del. C. §§ 2511 et seq.; DISTRICT OF COLUMBIA – D.C. Code § 28-3901  
et seq.; FLORIDA – Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II,  
Florida Statutes; GEORGIA – Georgia Fair Business Practices Act, O.C.G.A. § 10-1-390 et seq.

1 3.17 “Subsidiary” or “Subsidiaries” shall mean only Defendant’s current subsidiaries as  
2 of the Effective Date.

3 **IV. COMPLIANCE PROVISIONS**

4 4.1 Defendant, for itself and each of its Subsidiaries, together with each of their  
5 respective officers, agents, servants, employees, and any other person or entity in active concert  
6 or participation with any of them, whether acting directly or indirectly through any corporation,  
7 company, partnership, trust, entity, subsidiary, affiliate, division, or other device, hereby agrees,  
8 represents, and warrants that they:

- 9 (a) ceased the manufacturing, marketing, Promotion, sale, and distribution of all  
10 Covered Products in the United States and, as of the Effective Date, has not resumed  
11 the manufacture, marketing, Promotion, sale or distribution of any Covered  
12 Products in the United States; and

13  
14 \_\_\_\_\_  
15 (“FBPA”); HAWAII – Haw. Rev. Stat. § 480-2(a) and Haw. Rev. Stat. Chpt. 481A; IDAHO –  
16 I.C. § 48-601 et seq.; ILLINOIS – 815 ILCS 505/1 et seq.; INDIANA – Ind. Code § 24-5-0.5, et  
17 seq.; IOWA - Iowa Code Section 714.16; KANSAS - Kansas Consumer Protection Act, K.S.A.  
18 50-623 et seq.; KENTUCKY – KRS 367.170; MAINE – 5 M.R.S.A. § 205-A et seq.;  
19 MARYLAND - Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 to -  
20 501 (2013 Repl. Vol. & 2023 Supp.); MASSACHUSETTS – G.L.c. 93A; MICHIGAN – MCL  
21 445.901 et seq.; MINNESOTA – Minn. Stat. section 325F.69 (Minnesota Prevention of Consumer  
22 Fraud Act); Minn. Stat. section 325D.45 (Minnesota Uniform Deceptive Trade Practices Act);  
23 MONTANA – MCA 30-14-101 et al; NEBRASKA – Consumer Protection Act N.R.S. section  
24 59-1601 et seq. and the Uniform Deceptive Trade Practices Act N.R.S. section 87-301 et seq.;  
25 NEVADA – Nevada Deceptive Trade Practices Act, NRS 598.0903, et seq.; NEW HAMPSHIRE  
26 – NH RSA § 358-A; NEW JERSEY – N.J.S.A. 56:8-1 to -229 The New Jersey Consumer Fraud  
27 Act; NEW YORK – N.Y. Exec. Law Section 63(12) and G.B.L. Sections 349 and 350; NORTH  
28 CAROLINA – N.C.G.S. § 75-1.1 et seq.; NORTH DAKOTA – N.D.C.C. ch. 51-15; OHIO –  
Consumer Sales Practices Act, R.C. 1345.01 et seq.; OKLAHOMA – 15 O.S. § 751 et seq.;  
OREGON – Oregon Unlawful Trade Practices Act, Or. Rev. Stat. § 646.605 et seq.; RHODE  
ISLAND – R.I. Gen. Laws § 6-13.1-1, et seq.; SOUTH DAKOTA – SDCL ch. 37-24; TEXAS –  
Texas Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41–  
17.63; UTAH – Utah Code § 13-11-1, et seq.; VERMONT – The Vermont Consumer Protection  
Act, 9 V.S.A. §§ 2451 et. seq.; VIRGINIA – Virginia Consumer Protection Act (“Consumer  
Protection Act”), Va. Code §§ 59.1-196 through 59.1-207; WASHINGTON – RCW 19.86; WEST  
VIRGINIA – W. Va. Code, § 46A-1-101; and WISCONSIN – Wis. Stat. § 100.18(1)..

1 (b) will not manufacture, market, Promote, sell or distribute any Covered Products in  
2 the United States either directly, or indirectly through any third party.

3 **V. PAYMENT**

4 5.1 Except as otherwise provided for herein, each Party will be responsible for its own  
5 costs, expenses, and attorneys' fees.

6 5.2 Defendant shall pay the members of the Multistate Working Group collectively a  
7 total amount of (\$700,000,000.00) ("Multistate Amount"), of which the Signatory Attorney  
8 General shall receive \$15,466,308.21, (the "Settlement Amount"), as specified more fully in  
9 Exhibit 2. The Multistate Amount shall be paid in four installments, each payable as directed by  
10 the Signatory Attorney General, with installments due as follows: (i) 175 Million Dollars  
11 (\$175,000,000.00) by July 30, 2024; (ii) 175 Million Dollars (\$175,000,000.00) by July 30, 2025;  
12 (iii) 175 Million Dollars (\$175,000,000.00) by July 30, 2026; and (iv) 175 Million Dollars  
13 (\$175,000,000.00) by July 30, 2027, as specified in Exhibit 2. Accordingly, Defendant shall pay  
14 Plaintiff the Settlement Amount as follows: (i) \$3,849,063.00 by July 30, 2024; (ii) \$3,872,415.07  
15 by July 30, 2025; (iii) \$3,872,415.07 by July 30, 2026; and (iv) \$3,872,415.07 by July 30, 2027,  
16 as specified in Exhibit 2. If this Judgment is not entered by the Court more than thirty (30) days  
17 prior to the due date for the first installment, the due date for the first installment shall be thirty  
18 (30) days from the Effective Date, with the due dates for the subsequent installments remaining  
19 unchanged. If Defendant fails to make any of the forgoing installment payments when due in  
20 accordance with this Paragraph 5.2 and Paragraph 5.4 below, the entire unpaid balance of the  
21 Settlement Amount shall become immediately due and payable. Payment of the Settlement  
22 Amount is being made in return for all the representations, warranties, and obligations set forth in  
23 this Judgment, including but not limited to the release provided in Section VIII below for  
24 Defendant, both individually and for the other Releasees.

25 5.3 Each of the Parties acknowledges, agrees and understands that, for purposes of  
26 Section 162(f) of the Internal Revenue Code, the Settlement Amount may be used at the sole  
27 discretion of the Signatory Attorney General for any lawful purpose, including restitution, and  
28 subject to any applicable laws of the State of Arizona, and the Signatory Attorney General will

1 file an IRS Form 1098 indicating how it was used. Pursuant to A.R.S. § 44-1531.01, payments  
2 made to the State of Arizona under Section 5.2 of this Judgment shall be deposited by the Arizona  
3 Attorney General into the Consumer Protection-Consumer Fraud Revolving Fund to be  
4 administered by the Arizona Attorney General under the conditions and for the purposes provided  
5 in A.R.S. § 44-1531.01.

6 5.4 As part of the consideration for this Judgment, Defendant agrees, warrants, and  
7 represents that:

8 (a) Defendant is solvent as of the Effective Date and will not be rendered insolvent by  
9 its payment of the Settlement Amount pursuant to the payment schedule set forth  
10 above in Paragraph 5.2;

11 (b) All funds used to pay the Settlement Amount will, at the time of the transfer  
12 directed by the Signatory Attorney General pursuant to Paragraph 5.2 above, be the  
13 exclusive property of Defendant free from any lien, claim, or right by anyone else  
14 in or to any portion thereof, including, but not limited to, the J&J-Related Entities  
15 and Other Released Persons; and

16 (c) Defendant will not file, pursue, or support, whether directly or indirectly, any  
17 action, proceeding, or claim that seeks to delay, recover, avoid, or offset any  
18 payment of the Settlement Amount (including those already made or scheduled to  
19 be paid pursuant to the payment schedule in Paragraph 5.2 above), for any reason,  
20 or based on any claim or theory.

## 21 VI. INDEMNIFICATION AND DEFENSE

22 6.1 Defendant shall promptly and fully pay the Settlement Amount in strict accordance  
23 with Section V above, including, without limitation, the payment schedule in Paragraph 5.2 above  
24 and the source and nature of the funds in Paragraph 5.4(b) above, and Defendant shall indemnify,  
25 defend, and hold Plaintiff and the Signatory Attorney General (the “Indemnitees”) harmless from  
26 and against any and all actions, claims, proceedings, judgments, orders, turnovers, offsets,  
27 encumbrances, losses, costs, and expenses (including, without limitation, reasonable attorneys’  
28 fees) that arise from, are based upon, or relate to any avoidance or recovery (as a preference,



1 fraudulent conveyance or transfer, or otherwise) of all or any portion of the Settlement Amount  
2 (regardless of the payee or the source, nature, or allocation of the funds used) by another person  
3 or entity (including, without limitation, a trustee, a committee, or a debtor in possession).

4 6.2 In the event an Indemnitee becomes aware of a demand, claim, action, or proceeding  
5 that would give rise to indemnification pursuant to Paragraph 6.1 above (an “Indemnification  
6 Claim”), the Signatory Attorney General shall promptly provide notice to the Defendant of the  
7 same.

8 6.3 After being notified of an Indemnification Claim, Defendant agrees to pay the  
9 applicable Indemnitee outside counsel fees and expenses reasonably necessary to defend and/or  
10 resolve the Indemnification Claim and also to cooperate and assist in that defense and/or  
11 resolution; provided, however, that Defendant’s payment obligations hereunder shall not extend  
12 to more than one outside counsel firm (other than necessary local counsel) without Defendant’s  
13 written consent, and that Plaintiff and Defendant shall mutually agree on any outside counsel firm  
14 before it is retained, which agreement shall not be unreasonably withheld. Defendant will pay  
15 reasonable outside counsel fees and expenses within 30 days of receiving an invoice. Should the  
16 Indemnification Claim be for an actual loss of Settlement Amount payments already sustained by  
17 an Indemnitee, Defendant shall reimburse the amount of the lost funds by wire transfer in the  
18 manner provided by the Signatory Attorney General within thirty (30) days of the Signatory  
19 Attorney General’s notice to do so.

20 6.4 If Defendant becomes aware of a potential Indemnification Claim that the  
21 Indemnitees have not yet provided Defendant notice of, Defendant agrees to promptly provide  
22 Plaintiff notice of the same.

## 23 **VII. DISPUTE RESOLUTION**

24 7.1 For the purposes of resolving disputes with respect to compliance with this  
25 Judgment, if the Signatory Attorney General has a reasonable basis to believe that the Defendant  
26 engaged in a practice that violates a provision of this Judgment subsequent to the Effective Date,  
27 then such Signatory Attorney General shall notify Defendant in writing of the specific concern,  
28 identify the provision(s) of this Judgment that the practice appears to violate, and give Defendant

1 thirty (30) days to respond to the notification; provided, however, that a Signatory Attorney  
2 General may take any action if the Signatory Attorney General believes that, because of the  
3 specific practice, a threat to the health or safety of the public requires immediate action. Upon  
4 receipt of written notice from the Signatory Attorney General, Defendant shall provide a good-  
5 faith written response to the Signatory Attorney General notification, containing either a statement  
6 explaining why Defendant believes it is in compliance with the Judgment, or a detailed  
7 explanation of how the alleged violation occurred and a statement explaining how Defendant  
8 intends to remedy the alleged violation. Nothing in this Section VII shall be interpreted to limit  
9 the State of Arizona's Civil Investigative Demand ("CID") or investigative subpoena authority  
10 and Defendant reserves all of its rights in responding to a CID or investigative subpoena issued  
11 pursuant to such authority.

12 7.2 Upon giving Defendant thirty (30) days from receipt of the notice set forth in  
13 Paragraph 7.1 above to respond, the Signatory Attorney General shall also be permitted reasonable  
14 access to inspect and copy relevant, non-privileged, non-work product records and documents in  
15 the possession, custody, or control of Defendant that relate to Defendant's compliance with each  
16 provision of this Judgment. If the Signatory Attorney General makes or requests copies of any  
17 documents during the course of that inspection, the Signatory Attorney General will provide a list  
18 of those documents to Defendant.

19 7.3 The Signatory Attorney General may assert any claim that the Defendant violated  
20 this Judgment in this action or in a separate civil action to enforce compliance with this Judgment,  
21 or may seek any other relief afforded by law for a violation of the Judgment, but only after  
22 providing Defendant an opportunity to respond to the notification described in Paragraph 7.1  
23 above; provided, however, that a Signatory Attorney General may take any action if the Signatory  
24 Attorney General believes that, because of the specific practice, a threat to the health or safety of  
25 the public requires immediate action.

## 26 **VIII. RELEASE**

27 8.1 Released Claims. By operation of this Judgment being entered as a final judgment  
28 by this Court, Releasers, subject to Paragraph 8.3 below, release and forever discharge Releasees

1 from any Claims (the “Released Claims”). If an Other Official asserts or attempts to assert a  
2 Released Claim against the Defendant or any of the J&J-Related Entities, the Defendant or J&J-  
3 Related Entities against whom that Released Claim is asserted shall notify the Signatory Attorney  
4 General or the Attorney General’s successor or designee of that claim. To the extent that doing  
5 so is determined by that Signatory Attorney General to be in the best interest of the State of  
6 Arizona and consistent with Arizona law, that Signatory Attorney General will work to secure the  
7 prompt dismissal of any and all Released Claims in an action brought or maintained by an Other  
8 Official asserting such Released Claims against Defendant and J&J-Related Entities. Plaintiff  
9 also agrees it will not oppose any effort by any of the Releasees to secure the prompt dismissal of  
10 any and all Released Claims in an action brought or maintained by an Other Official asserting  
11 such Released Claims against any of the Releasees.

12 8.2 The release in Paragraph 8.1 is intended by the Parties to be broad and shall be  
13 interpreted such that the Releasers are giving the Releasees the broadest possible bar against any  
14 liability as to the Released Claims. Except as otherwise provided for herein, this Judgment shall  
15 be a complete bar to any Released Claims.

16 8.3 Claims Not Covered. Notwithstanding any term of this Judgment, specifically  
17 reserved and excluded from the release in Paragraph 8.1 above as to any entity or person, including  
18 Releasees, are any and all of the following:

19 (a) Any criminal liability that any person or entity, including Releasees, has or may  
20 have to the State of Arizona;

21 (b) Any civil or administrative liability that any person or entity, including Releasees,  
22 has or may have to the State of Arizona not expressly covered by the release in Paragraph  
23 8.1 above, including, but not limited to, any and all of the following claims:

24 i. State or federal antitrust violations;

25 ii. State false claims violations;

26 iii. State Medicaid fraud or abuse claims (whether common law, statutory or  
27 otherwise) and/or kickback violations (this release also does not affect or limit the State’s  
28 subrogation interest under federal law or state law with regards to claims by individuals

1 who were/are enrolled in State Medicaid programs);

2 iv. State or federal tax violations;

3 v. State or federal environmental violations;

4 vi. State or federal securities violations; and

5 vii. Claims to enforce the terms and conditions of this Judgment, including, but  
6 not limited to, Defendant's obligations in Section V above regarding payment of the  
7 Settlement Amount and related indemnification in Section VI above;

8 (c) Any claims individual consumers have or may have, including, but not limited to,  
9 claims for personal injury and/or claims under State Consumer Protection Laws.

10 (d) Any claims of any kind against any persons or entities that are not expressly  
11 included in the definition of Releasees in Paragraph 3.13 above.

12 8.4 Nothing contained in this Judgment shall be taken or construed as relieving  
13 Defendant or any of the other Releasees of any obligations they may have under any other  
14 judgment, order, assurance of voluntary compliance, or agreement relating to any product or  
15 conduct.

## 16 IX. MOST FAVORED NATIONS PROVISION

17 9.1 **Most Favored Nation Provision.** If Defendant or any of its Subsidiaries enters  
18 into any settlement agreement with any state that is not a member of the Multistate Working Group  
19 ("Non-Settling State") within (12) months after the Effective Date that resolves claims similar to  
20 the Released Claims on payment terms that are more favorable to such Non-Settling State than  
21 the payment terms of this Judgment, then Plaintiff, individually or collectively with other  
22 Multistate Working Group states, may seek review, pursuant to Paragraph 9.3, of the overall  
23 payment terms of this Judgment so that such Plaintiff may obtain overall payment terms at least  
24 as favorable as those obtained by such Non-Settling State.

25 9.2 For purposes of Paragraph 9.1 above,

26 (a) the "overall payment terms" paid to a Non-Settling State are more favorable than  
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1 those paid to the Plaintiff if: the 2024 present dollar value<sup>3</sup> of all settlement payments to  
2 the Non-Settling State, divided by the number of units of Covered Products sold in that  
3 Non-Settling State for which the sales records of Defendant and its Subsidiaries are  
4 available to the Multistate Working Group, is greater than 1.29968, representing the 2024  
5 dollar present value (\$656,977,401.49) of the Multistate Amount (\$700,000,000) divided  
6 by the number of units of Covered Products sold in the Multistate Working Group states  
7 for which the sales records of Defendant and its Subsidiaries are available to the Multistate  
8 Working Group (505,491,271).

9 (b) Claims by a Non-Settling State are “similar” to the Released Claims if, after  
10 replacing the Non-Settling State’s Attorney General for the Signatory Attorney General in  
11 the definition of Released Claims, the Non-Settling State’s claims would be included under  
12 the definition of Released Claims.

13 9.3 If Defendant or any of its Subsidiaries enters into a settlement with a Non-Settling  
14 State involving claims similar to the Released Claims, it shall provide a copy of the settlement  
15 agreement or relevant consent judgment within thirty (30) days of the effective date of such  
16 settlement to Plaintiff and the Multistate Executive Committee.

17 (a) If Plaintiff believes that the overall payment terms of an agreement between  
18 Defendant (or its Subsidiary) and a Non-Settling State are more favorable than those in this  
19 Judgment, Defendant and Plaintiff shall engage in the following process:

20 i. Plaintiff shall provide notice, within sixty (60) calendar days of the date on  
21 which Plaintiff receives the settlement agreement or consent judgment, to Defendant of its  
22 intent to seek revision of this Judgment to be modified to provide payment terms that are,  
23 on an overall basis, as favorable as those obtained by the Non-Settling State. Such notice  
24 shall be confidential and not disclosed publicly to the extent allowed by law and shall state,  
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27 <sup>3</sup> For purposes of Section IX, the 2024 present dollar value of payments made in 2025 or later to the Multistate Working  
28 Group states and to any Non-Settling States will be discounted at a rate of 4.4% per year, compounded annually.

1 in detail, the basis for the Plaintiff's belief that it is entitled to a modification of this  
2 Judgment.

3 ii. Defendant shall, within thirty (30) calendar days of receipt of the Plaintiff's  
4 notice, provide a response to the Plaintiff, explaining its position, in detail, as to whether  
5 the Plaintiff is entitled to more favorable overall payment terms than those provided for in  
6 this Judgment.

7 iii. In the event Plaintiff and Defendant do not reach agreement as to the  
8 application of Paragraph 9.1 above, Plaintiff may seek judicial review from the Court as to  
9 the applicability of Paragraph 9.1 above and modification of Defendant's financial  
10 obligations thereunder if warranted. The Court's review shall be limited to whether the  
11 overall payment terms to the Non-Settling State are more favorable than those to Plaintiff,  
12 as defined in Paragraph 9.2(a) above, and if so, the sum to be paid to Plaintiff to eliminate  
13 such disparity.

14 9.4 This Section IX does not apply to, and there is no ability for Plaintiff to seek or  
15 obtain revision of this Judgment based on, any Non-Settling State's agreement with Defendant or  
16 its Subsidiaries that is entered into with: (a) a Non-Settling State that has advanced litigation  
17 against Defendant or its Subsidiaries beyond the point at which one or more claims has survived  
18 a motion to dismiss or (b) a Non-Settling State that has obtained any court order or judicial  
19 determination that grants judgment (in whole or in part) following a bench trial or a jury trial  
20 against Defendant or its Subsidiaries.

## 21 X. ADDITIONAL PROVISIONS

22 10.1 Nothing in this Judgment shall be construed to authorize or require any action by  
23 Defendant or any of the other Releasees in violation of applicable federal, state, or other laws.

24 10.2 The Judgment may be modified by a written stipulation of the Parties, once the  
25 stipulation is approved by and becomes a judgment of the Court, or by court proceedings resulting  
26 in a modified judgment of the Court.

27 10.3 The Defendant shall not cause or encourage any third party, nor knowingly permit  
28 any third party acting on the behalf of Defendant, to engage in any practice from which Defendant

1 is prohibited by this Judgment.

2           10.4 The acceptance of this Judgment by Plaintiff shall not be deemed approval by the  
3 State of Arizona of the past, present, or future advertising or business practices of Defendant or  
4 any of the other Releasees. Further, neither Defendant nor anyone acting on its behalf shall state  
5 or imply, or cause to be stated or implied, that Arizona or any other governmental unit of Arizona  
6 has approved, sanctioned or authorized any past, present, or future practice, act, advertisement, or  
7 conduct of Defendant or any of the other Releasees.

8           10.5 Any failure by either Party to this Judgment to insist upon the strict performance by  
9 the other party of any of the provisions of this Judgment shall not be deemed a waiver of any of  
10 the provisions of this Judgment, and such Party, notwithstanding such failure, shall have the right  
11 thereafter to insist upon the specific performance of any and all of the provisions of this Judgment.

12           10.6 This Judgment represents the full and complete terms of the settlement entered into  
13 by the Parties. In any action undertaken by either of the Parties, no prior version of this Judgment  
14 and no prior versions of any of its terms that were not entered by the Court in this Judgment, may  
15 be introduced for any purpose whatsoever. This Judgment and each of its constituent provisions  
16 were jointly drafted by counsel for the Parties and any ambiguities herein shall not be construed  
17 against either Party.

18           10.7 This Court retains jurisdiction of this Judgment and the Parties for the purpose of  
19 construction, enforcement, and modification of this Judgment and for the purpose of granting such  
20 additional relief as may be necessary and appropriate.

21           10.8 This Judgment may be executed in counterparts, and a facsimile or .pdf signature  
22 shall be deemed to be, and shall have the same force and effect as, an original signature.

23           10.9 Any notice provided by either Party under this Judgment to the other shall be in  
24 writing and provided to the other Party via email and Overnight Mail, return receipt requested,  
25 using the following information specified below, or such other information as may be specified  
26 by either Party in accordance with this Paragraph 10.9:

27 Defendant:

28 Daniel Suvor

1 O'Melveny & Myers  
2 400 South Hope Street  
3 Los Angeles, CA 90071  
4 Phone: (213) 430-6000  
5 dsuvor@omm.com

6 Plaintiff/State of Arizona/Signatory Attorney General:

7 Stephen J. Emedi  
8 Jane Fallon  
9 Arizona Attorney General's Office  
10 2005 North Central Avenue  
11 Phoenix, Arizona 85004

12 10.10 To the extent that any provision of this Judgment obligates Defendant to change any  
13 policy(ies) or procedure(s) and to the extent not already accomplished, Defendant shall implement  
14 the policy(ies) or procedure(s) as soon as reasonably practicable, but no later than 120 days after  
15 the Effective Date, unless another period for compliance is specified herein.

16 10.11 Each Party represents and warrants that those signing this Judgment on their behalf  
17 have the full legal capacity, right, power, and authority to execute and enter into this Judgment on  
18 their behalf and to bind them to its terms and provisions.

19 10.12 Final Judgment. This Judgment resolves this action. As no further matters remain  
20 pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

21  
22 **APPROVAL BY COURT**

23 APPROVED FOR FILING and SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

24  
25  
26 \_\_\_\_\_  
27 Judge  
28



1 **APPROVED AS TO FORM AND CONTENT:**


2 **KRISTIN K. MAYES**  
3 **Attorney General**

**O'MELVENY & MYERS**

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By:   
\_\_\_\_\_  
Stephen J. Emedi  
Jane Fallon  
Assistant Attorneys General  
Attorneys for the State of Arizona

*/s/ Daniel Suvor*  
\_\_\_\_\_  
Daniel Suvor  
Attorneys for Defendant

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1 For Defendant Johnson & Johnson:

2 By:

3 /s/ Daniel Suvor

4 Daniel Suvor  
5 O'Melveny & Myers

6 Date: June 11, 2024

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