

Exhibit D**SETTLEMENT SUBDIVISION PARTICIPATION FORM**

Local Government: City of Santa Fe	State: New Mexico
Authorized Official: Alan M. Webber, Mayor	
Address 1: 200 Lincoln Avenue	
Address 2:	
City, State, Zip: Santa Fe, NM 87501	
Phone: 505-955-6590	
Email: mayor@santafenm.gov	

The governmental entity identified above (“Local Government”), in order to obtain and in consideration for the benefits provided to the Local Government pursuant to the Settlement Agreement and Full Release of All Claims dated December 8, 2022 (“Walmart Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Walmart Settlement, release all Released Claims against all Releasees, and agrees as follows.

1. The Local Government is aware of and has reviewed the Walmart Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Local Government elects to participate in the Walmart Settlement and become a Participating Local Government as provided therein.
2. The Local Government shall immediately cease any and all litigation activities as to the Releasees and Released Claims and, in any event within 14 days of executing this Participation Form, dismiss with prejudice any Released Claims that it has filed.
3. The Local Government agrees to the terms of the Walmart Settlement pertaining to Local Governments as defined therein.
4. By agreeing to the terms of the Walmart Settlement and becoming a Releasor, the Local Government is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date of the Release.
5. The Local Government agrees to (i) treat all funds received pursuant to the Walmart Settlement as “Opioid Funds” as that term is defined in Section A.2 the New Mexico Opioid Allocation Agreement attached to the Walmart Settlement (“the NMOAA” or “the MOU”); (ii) modify the term “Settlement” as that term is defined in Section A.7 of the MOU to include the Walmart Settlement; (iii) forego the use of a settlement administrator for the Walmart Settlement as contemplated by Section B.1 of the MOU, instead utilizing the payment process described in Section III.A of the Walmart Settlement; and (iv) allow the State to hold back and oversee the distribution of any funds needed for any attorney fee backstop fund that may be required (but in no event will that holdback be more than 15% of the Local Government’s share, and all outside counsel will be required to exhaust all other sources of fees in accordance with the MOU).

6. The Local Government submits to the jurisdiction of the court in which the State of New Mexico's Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Walmart Settlement.
7. The Local Government has the right to enforce the Walmart Settlement as provided therein.
8. The Local Government, as a Participating Local Government, hereby becomes a Releasor for all purposes in the Walmart Settlement, including but not limited to all provisions of Section V (Settlement of Claims, General Release, and Covenant Not to Sue), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Local Government hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Releasee in any forum whatsoever. The releases provided for in the Walmart Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Releasee the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Local Government to release claims. The Walmart Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Walmart Settlement, each Local Government expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Local Government hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Walmart Settlement.

10. The Local Government acknowledges, agrees, and understands that the Participating Local Governments Remediation by Walmart is less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Local Government; constitutes

restitution and remediation for damage or harm allegedly caused by Walmart in order to restore, in whole or part, the Local Government to the same position or condition that it would be in had it not suffered the Alleged Harms; and constitutes restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law.

11. Nothing herein is intended to modify in any way the terms of the Walmart Settlement, to which Local Government hereby agrees. To the extent this Election and Release is interpreted differently from the Walmart Settlement in any respect, the Walmart Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Local Government.

Signature: 

Name: Alan M. Webber

Title: Mayor

Date: Feb 28, 2023

CITY OF SANTA FE:



ALAN M. WEBBER, MAYOR

Feb 28, 2023

DATE

ATTEST:



KRISTINE BUSTOS MIHELICIC, CITY CLERK XIV
GB MTG 2/22/2023

CITY ATTORNEY'S OFFICE:



ERIN K. MCSHERRY, CITY ATTORNEY

APPROVED FOR FINANCES:



Emily K. Oster (Feb 28, 2023 14:58 MST)

EMILY OSTER, FINANCE DIRECTOR

**SETTLEMENT AGREEMENT AND
FULL RELEASE OF ALL CLAIMS**

I. Overview

This Settlement Agreement is made and entered into this 8th day of December, 2022 between Walmart (defined below), on the one hand, and the State of New Mexico (“New Mexico” or the “State”), acting through its Attorney General (the “Attorney General”), on the other hand (together, the “Parties”). This Settlement Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (defined below), upon and subject to the terms and conditions hereof.

WHEREAS, the State filed its second amended complaint in this Action (defined below) on March 6, 2019, which was served upon Walmart on April 9, 2019,¹ (i) alleging, among other things, that Walmart, among others, violated the law by failing to monitor, report, and abstain from shipping allegedly suspicious orders of opioid pain medications; (ii) alleging, among other things, that Walmart, among others, violated the law by dispensing opioid pain medications without confirming those prescriptions were issued for a legitimate medical purpose; and (iii) asserting Claims for damages, equitable abatement, civil penalties, attorneys’ fees, litigation costs, and other relief.

WHEREAS, the State brought this Action in its sovereign capacity as the people’s attorney in order to protect the public interest, including the interests of the State of New Mexico and its residents;

WHEREAS, numerous New Mexico Local Governments have filed actions in various forms against Walmart, among others, raising claims or allegations concerning, related to, based upon, or in connection with the Alleged Harms (defined below) and/or Covered Conduct (defined below);

WHEREAS, there are numerous New Mexico Local Governments that have not filed actions against Walmart, but may in the future raise claims or allegations concerning, related to, based upon, or in connection with the Alleged Harms and/or Covered Conduct;

WHEREAS, Walmart (i) denies each and all of the Claims and allegations of wrongdoing made by the State in this Action and by the Local Governments in their actions and maintains that it has meritorious defenses; (ii) denies all assertions of wrongdoing or liability against Walmart arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in this Action or any action brought by a Local Government, and contends that the factual allegations made in such actions relating to Walmart are false and materially inaccurate; (iii) denies that the State, any New Mexico Local Government, or any person or entity in New Mexico was harmed by any conduct of Walmart alleged in this Action or any similar action; (iv) denies liability,

¹ The State filed its initial complaint in this Action on September 7, 2017, and filed its first amended complaint in this Action on December 21, 2017, neither of which named Walmart as a party.

expressly denies any wrongdoing, and denies it violated any federal or state statute, regulation, or common law; and (v) maintains that Walmart would be able to successfully defend against the State's claims and allegations at trial;

WHEREAS, the Parties have each investigated the facts and analyzed the relevant legal issues;

WHEREAS, the Parties have now reached this Settlement, which they believe avoids the expense, delay, and uncertainty of litigation;

WHEREAS, the State has concluded that the terms of the Settlement are fair, reasonable, adequate, and in the best interest of the State of New Mexico, its Local Governments, and its citizens and residents;

WHEREAS, the Parties agree that neither this Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be a concession as to any claim, an admission, evidence of any violation of any statute, law, rule or regulation, evidence of any liability, fault or wrongdoing by Walmart, or evidence of the truth, falsity, merit, or lack of merit of any of the allegations in this Action or any other action, or any defense thereto;

WHEREAS, this Settlement Agreement is a product of arm's length settlement negotiations between the duly-authorized representatives of the Parties;

NOW, THEREFORE, IT IS HEREBY AGREED by and among the Parties, by and through their respective counsel, that all Released Claims shall be finally and fully settled and released as to the Releasees (defined below), as set forth below.

II. Definitions

A. "Action" means the lawsuit filed by the State in the First Judicial District Court, County of Santa Fe, State of New Mexico, captioned *State of New Mexico ex rel. Hector Balderas, Attorney General v. Purdue Pharma L.P. et al.* (No. D-101-CV-2017-02541).

B. "Agreement," "Settlement," or "Release" refers to this Settlement Agreement and Release, together with any exhibits attached hereto.

C. "Alleged Harms" means the alleged past, present, and future financial, societal, and related expenditures arising out of the alleged misuse and abuse of Products, non-exclusive examples of which are described in the documents listed on Exhibit A, including those expenditures that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by Walmart.

D. "Claim" means any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, penalty, judgment, right, obligation, dispute, suit, contract, controversy, agreement, parens patriae claim, promise, performance, warranty, omission, or grievance of any nature whatsoever, whether legal, equitable, statutory, regulatory or

administrative, whether arising under federal, state, or local common law, statute, regulation, guidance, ordinance, or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether accrued or unaccrued, whether foreseen, unforeseen, or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including, but not limited to, any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, abatement, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert fees, consultant fees, fines, penalties, expenses, costs, or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

E. “Claim-Over” means a Claim asserted by any entity not a Releasor against a Releasee on the basis of contribution, indemnity, or other claim-over on any theory relating to Claims arising out of or related to Alleged Harms and/or Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Releasee) asserted by any Releasor.

F. “Consent Judgment” means a consent decree, order, judgment, or similar action in connection with this Agreement, which provides for the release set forth below and the dismissal with prejudice of the Action and Released Claims that the State has brought against Releasees, on the terms and conditions specified herein and as reflected in Exhibit B of this Agreement.

G. “Covered Conduct” means any and all actual or alleged acts, failures to act, negligence, conduct, statements, errors, omissions, misstatements, misleading statements, agreements, events, transactions, breach of any duty, or other activity of any kind whatsoever, whether known or unknown and whether discovered or undiscovered, from the beginning of time and occurring up to and including the Effective Date of the Release (and any past, present or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity) in any line of business arising from or related in any way to any Product, including without limitation: (i) the distribution, dispensing, delivery, monitoring, reporting, supply, sale, prescribing, physical security, warehousing, coverage, purchases, reimbursement, discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, or use or abuse of any Product; orders, prescriptions, formularies, guidelines, payments or rebates for any Product; policies, practices and/or operating procedures, insurance, claim or benefit administration, claim adjudication, plan design, data and sales thereof, and any other act or failure to act relating to, any Product; and any system, plan, policy or advocacy relating to the activities described above; (ii) the characteristics, properties, risks, or benefits of any Product, including but not limited to unbranded promotion, marketing, programs, or campaigns related to any Product or class of Products; (iii) the reporting, disclosure, non-reporting, or non-disclosure to federal, state, or other regulators of orders, prescriptions, or conduct related to any Product; (iv) the purchasing, selling, acquiring, disposing of, importing, exporting, applying for quota for, procuring quota for, handling, processing, packaging, supplying, distributing, or converting of any Product; or (v) controls against diversion, corresponding responsibility, and suspicious order monitoring.

H. “Cure Period” has the meaning specified in Section VI.C of this Agreement.

I. “Execution Date” means the date on which this Agreement is executed by the last Party to do so.

J. “Effective Date of the Release” means the date on which Walmart pays the Settlement Amount to the State as specified in Section III.A of this Agreement.

K. “Litigating Local Government” means a Local Government (or Local Government official) that has brought any Released Claim against any Releasee on or before the Execution Date.

L. “Local Government” shall have the same meaning as in the New Mexico MOU.

M. “National Settlement” has the meaning specified in Section IV.J of this Agreement.

N. “New Mexico MOU” means the New Mexico Opioid Allocation Agreement set forth in Exhibit C of this Agreement.

O. “Non-Litigating Local Government” means a Local Government that is not a Litigating Local Government.

P. “Non-Participating Local Government” means a Local Government that is not a Participating Local Government.

Q. “Notice Designees” has the meaning specified in Section VI.E of this Agreement.

R. “Participating Local Government” means a Local Government that executes a participation form attached as Exhibit D.

S. “Parties” means Walmart together with the State.

T. “Product” means any chemical substance, whether licit or illicit, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is: (1) an opioid or opiate, as well as any product containing any such substance; or (2) a benzodiazepine, a muscle relaxer, zolpidem, or gabapentin; or (3) a combination or “cocktail” of chemical substances prescribed, sold, bought or dispensed to be used together that includes opioids or opiates. “Product” shall include, but is not limited to, any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triazolam, temazepam, midazolam, chlordiazepoxide, clobazam, clorazepate, flurazepam, lorazepam, temazepam, carisoprodol, cyclobenzaprine, orphenadrine, tizanidine, gabapentin, or any variant of these substances or any similar substance.

U. “Promote,” “Promoting,” and “Promotion” means the publication or dissemination to a Third Party of information that is intended to directly or indirectly increase the use or sale of a Product.

V. “Releasees” means Walmart as defined herein.

W. “Released Claims” means any and all Claims that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct and/or Alleged Harms occurring prior to the Effective Date of the Release. Without limiting the foregoing, Released Claims include any Claims arising out of, or relating to, in whole or in part, the Covered Conduct and/or Alleged Harms, and any such Claims that were, could be or could have been asserted now or in the future in this Action or in any comparable action or proceeding brought by the State (whether judicial, arbitral, or administrative) or any of its Local Governments. Released Claims also include all Claims asserted in any proceeding to be dismissed pursuant to this Agreement, whether or not such Claims relate to Covered Conduct and/or Alleged Harms. The Parties intend that “Released Claims” be interpreted broadly. This Agreement does not release Claims by private individuals for any of their own damages for alleged personal injuries arising out of their use of any Product or any criminal liability on the part of the Releasee. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law.

X. “Releasor” means (1) the State of New Mexico, including without limitation all of its executive departments, agencies, divisions, boards, commissions, instrumentalities of any kind, and officers, including the Attorney General, both as a person and on behalf of all New Mexico residents, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing; (2) each Participating Local Government, and their departments, agencies, divisions, boards, commissions, subdivisions, districts, instrumentalities of any kind and any person in his or her official capacity, whether elected or appointed to lead or serve any of the foregoing, and any agency, person or entity claiming by or through any of the foregoing; and (3) without limitation and to the maximum extent of the power of each of the State, the New Mexico Attorney General, and/or Participating Local Governments to release Claims, any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to the State of New Mexico or any Local Government in the State of New Mexico, whether or not any of them participates in this Agreement. In addition to being a Releasor as provided herein, a Participating Local Government shall provide a subdivision settlement participation form (attached as Exhibit D) providing for a release to the fullest extent of the Participating Local Government’s authority and the Local Government’s acceptance of the terms and conditions of this Agreement, an executed copy of which shall be attached as an exhibit to and deemed to be part of this Agreement.

Y. “Settlement Amount” has the meaning set forth in Section III.A of this Agreement.

Z. “Settlement Payment” means Walmart’s payment of the Settlement Amount as provided in this Agreement.

AA. “Third Party” means any person or entity other than Walmart.

BB. “Walmart” means (i) Walmart Inc., Wal-Mart Stores, Inc., Wal-Mart Warehouse #6045 a/k/a Wal-Mart Warehouse #45, Wal-Mart Warehouse #6032 a/k/a Wal-Mart Warehouse #32, and Defendant Wal-Mart Stores East, LP; (ii) all of their respective past and present, direct or indirect: parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors,

assigns and insurers (in their capacity as such) and all of their respective past and present, direct or indirect, parents, subsidiaries, divisions, affiliates, joint ventures, predecessors, successors, assigns and insurers (in their capacity as such); and (iii) the past and present officers, directors, members, shareholders (solely in their capacity as shareholders of the foregoing entities), partners, trustees, employees, agents, attorneys and insurers of each of the foregoing entities and persons referenced in clauses (i) through (ii) above for actions or omissions that occurred during and related to their work for, or employment with, any of the foregoing entities with respect to the Released Claims. As used in this paragraph, “affiliates” means entities directly or indirectly controlling, controlled by, or under common control or ownership. “Walmart” also includes but is not limited to all other entities that have been acquired by Walmart or Walmart-affiliated entities.

III. Settlement Consideration

A. **Payment of Settlement Amount.** Walmart shall pay the State the sum of one-hundred fifty million dollars (\$150,000,000) (the “Settlement Amount”) via wire transfer pursuant to wiring instructions previously provided to Walmart by the State’s outside counsel on the State’s behalf, subject to the hold back referenced in Section III.C. No portion of the Settlement Amount may be allocated or distributed to any Non-Participating Local Government, or used to pay or reimburse the attorney fees or litigation costs of any Non-Participating Local Government. Such Settlement Payment shall be made fifteen (15) days after the Execution Date. The Settlement Amount will be allocated as follows:

1. \$56,760,000 to the State’s Restitution account for payment to Participating Local Governments, which shall be distributed in accordance with the allocation percentages outlined in the New Mexico MOU and expended solely on abatement efforts as permitted in the New Mexico MOU (“Participating Local Governments Remediation Payment”);
2. \$46,440,000 to the State’s Consumer Settlement Fund for costs associated with abatement and remediation of the public nuisance alleged in the State’s complaint, which shall be expended solely on remediation efforts as permitted in the New Mexico MOU (“State Remediation Payment”);
3. \$45,000,000 in fees to outside counsel for the State; and
4. \$1,800,000 in costs to cover litigation costs incurred by the State.

B. One hundred percent (100%) of the State Remediation Payment identified in Section III.A.2, forty-five (45%) of the fees identified in Section III.A.3, and one hundred percent (100%) of the costs identified in Section III.A.4 shall be consideration in exchange for a release of any and all Claims brought against Releasees by the State of New Mexico and shall be non-refundable. For the avoidance of doubt, \$46,440,000 (the amount identified in Section III.A.2), plus 45% of the \$45,000,000 referenced in Section III.A.3 (\$20,250,000) and 100% of the amount referenced in Section III.A.4 (\$1,800,000), for a total of \$68,490,000, is payable to the State of New Mexico and is non-refundable. The amount identified in Section III.A.1 (\$56,760,000) shall be reserved for the Participating Local Governments and shall be distributed to Participating Local Governments in accordance with the allocation percentages outlined in the New Mexico MOU or

refunded to Walmart in accordance with the allocation percentages outlined in the New Mexico MOU along with that Non-Participating Local Government's allocative share of \$24,750,000 (55% of the State's attorneys' fees set forth in Section III.A.3) pursuant to Section IV.E.1.

C. **MDL CBF Order.** Walmart shall hold back \$3,870,000 from the payment amount referenced in Section III.A.3 (as calculated by multiplying 7.5% times 50% times the total maximum abatement amounts referred to in Sections III.A.1 and III.A.2, per the direction of Special Master Cohen) and deposit that amount into the MDL Common Benefit Fund pursuant to the Ongoing Common Benefit Order (Doc. 4428).

D. **Implementation of Terms for Injunctive Relief.** The State and Walmart agree that the Consent Judgment shall provide that the Court shall retain jurisdiction to enter an Amended Consent Judgment imposing injunctive relief terms that match but do not exceed the injunctive relief terms imposed in any executed National Settlement. For the avoidance of doubt, the Parties shall not seek entry of, and the Court shall not enter, an Amended Consent Judgment imposing injunctive relief terms that match but do not exceed the injunctive relief terms imposed in any executed National Settlement until the later of (i) the Injunctive Terms Implementation Date, as defined in Walmart's National Settlement, or (ii) the injunctive relief terms imposed in Walmart's executed National Settlement have become effective. If no National Settlement has been executed within one year of the Effective Date of the Release, then Walmart shall implement the terms set forth in Exhibit F to this Agreement instead.

E. **No Other Payments.** Other than the Settlement Amount and any MFN Payment, the Releasees shall have no obligation to make any further or additional payments in connection with Claims for Alleged Harms and/or Covered Conduct or this Settlement Agreement. Walmart shall have no duty, liability, or influence of any kind with respect to the apportionment and use of the payments hereunder. The State specifically represents, however, that any such apportionment shall be made in accordance with the terms of this Agreement and all applicable laws.

F. **Taxes.** Each of the Parties acknowledges, agrees, and understands that it is its intention that, for purposes of Section 162(f) of the Internal Revenue Code, the Payment of the Participating Local Governments Remediation Payment and the State Remediation Payment by Walmart constitutes restitution as damages for Alleged Harms. Each of the Parties acknowledges, agrees, and understands that the Participating Local Governments Remediation and the State Remediation Payments by Walmart are less than or equal to the amount, in the aggregate, of the Alleged Harms allegedly suffered by the State; constitute restitution and remediation for damage or harm allegedly caused by Walmart in order to restore, in whole or part, the State, persons to the same position or condition that they would be in had the State, and persons not suffered the Alleged Harms; and constitutes restitution and remediation for damage or harm allegedly caused by the potential violation of a law and/or is an amount paid to come into compliance with the law. For the avoidance of doubt, "restitution" as used herein has the meaning of 26 U.S.C. § 162(f)(2)(A) and 26 C.F.R. § 1.162-21(e)(4)(i), (ii); "restitution" as used herein does not refer to the disgorgement of ill-gotten gains. The Parties acknowledge, agree, and understand that only payment for the State's litigation costs represents reimbursement to the State or other person or entity for the costs of any investigation or litigation, and no portion of the Settlement Amount represents or is paid for in place of any fines, penalties, or other punitive assessments. Each Releasor acknowledges, agrees, and understands that Walmart may allocate the cost of the

Settlement Amount using a reasonable basis. Pursuant to 26 C.F.R. § 1.6050X-1(a) and (b), each Releasor understands that it is to complete and file Form 1098-F with the Internal Revenue Service, and each Releasor agrees to report the Settlement Amount as remediation/restitution amounts on that form. Further, pursuant to 26 C.F.R. § 1.6050X-1(c), each Releasor shall furnish Walmart a copy of such Form 1098-F no later than February 28, 2023. Neither Party makes any warranty or representation to the other Party as to the tax consequences of the Settlement Amount or any portion thereof.

G. **Solvency.** Walmart warrants that, as of the date of this Agreement, it is not insolvent nor will its Settlement Payment or Implementation of Terms for Injunctive Relief render it insolvent within the meaning of and/or for the purposes of the United States Bankruptcy Code. If (i) a case is commenced with respect to Walmart under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver, or conservator is appointed under any similar law, and (ii) a court of competent jurisdiction enters a final order determining the Settlement Payment to be a preference, voidable transfer, fraudulent transfer, or similar transaction, and (iii) pursuant to an order of a court of competent jurisdiction monies paid by Walmart pursuant to this Settlement are either not delivered or are returned to Walmart or the trustee, receiver, or conservator appointed by a court in any bankruptcy proceeding with respect to Walmart, then the releases given pursuant to this Settlement shall be null and void.

IV. Participation by Local Governments

A. **Representation and Warranty Regarding Subdivision Participation.** The State represents and warrants that it will utilize all best efforts to obtain participation in this Settlement from all Local Governments. Among other things, the State, as soon as practicable after the Execution Date, shall send notice of the Settlement and the requirements for participation to all Local Governments. Such notice may include publication, email, and other standard forms of notification.

B. **Requirements for Becoming a Participating Local Government: Litigating Local Governments.** A Litigating Local Government may become a Participating Local Government by executing the Election and Release Form attached as Exhibit D and by filing a notice or stipulation voluntarily dismissing with prejudice its Action and Claims against the Releasees. The State will utilize all best efforts to obtain Election and Release Forms and voluntary dismissals from all Litigating Local Governments.

C. **Requirements for Becoming a Participating Local Government: Non-Litigating Local Governments.** A Non-Litigating Local Government may become a Participating Local Government by executing the Election and Release Form attached as Exhibit D. The State will utilize all best efforts to obtain Election and Release Forms from all Non-Litigating Local Governments.

D. **Cooperation with Dismissal of Local Government Claims.** The State agrees that it will cooperate in good faith with Walmart to secure the prompt dismissal of any and all Released Claims and that it will not oppose any effort by Walmart to secure the prompt dismissal of any and all Released Claims, including but not limited to any Released Claims asserted against the Releasees by Participating Local Governments, whether currently pending or in the

future; provided, however, that the State may oppose any effort by Walmart to secure dismissal if such effort is premised upon or involves (1) any material misstatement of State's legal obligations under this Agreement or (2) any material misstatement regarding the practical or legal effect or impact of this Agreement on Released Claims asserted against Releasees by Local Governments. Each Releasor also agrees that it will not encourage any person or entity to bring or maintain any Released Claim against any Releasee.

E. Refund of Any Non-Participating Local Government's Share of the Local Government Remediation Amount.

1. To the extent any New Mexico Local Government does not execute an Election and Release Form as set out in Exhibit D by ninety (90) days after the Execution Date ("Local Government Sign-On Date"), Walmart shall be entitled to a refund for each subdivision's allocation amount of the amount referenced in Section III.A.1, as outlined in the New Mexico MOU, and the State shall return such funds to Walmart 30 days after the Local Government Sign-On Date. In addition, Walmart shall be entitled to a refund of that Non-Participating Local Government's allocative share of \$24,750,000 (55% of the State's attorneys' fees referenced in Section III.A.3), and the State will pay Walmart that amount within 30 days of the Local Government Sign-On Date. A Non-Participating Local Government's allocative share is calculated by dividing the Non-Participating Local Government's allocation amount by \$56,760,000.

2. In any action brought by a Local Government that fails to release Walmart on the terms of the release set forth in this Agreement, if Walmart successfully asserts that the Local Government's claims are extinguished by virtue of the State's settlement with Walmart, Walmart shall return to the State the Local Government's allocation of the remediation amount that was refunded to Walmart under Section IV.E.1 of this Agreement as outlined in the New Mexico MOU.

V. Settlement of Claims, General Release, and Covenant Not to Sue

A. **Scope.** The State agrees that the Attorney General brought this Action in its sovereign capacity as the people's attorney in order to protect the public interest, including the interests of the State of New Mexico and its residents. The State acknowledges that numerous New Mexico Local Governments have filed actions in various forms against the Releasees, among others, raising claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct and/or Alleged Harms; and that there are numerous New Mexico Local Governments that have not filed actions in various forms against any Releasee, among others, but may in the future raise claims or allegations concerning, related to, based upon, or in connection with the Covered Conduct and/or Alleged Harms. Each Releasor hereby agrees to settle the Released Claims. Each Releasor agrees that settlement of the Released Claims on the terms set forth in this Agreement is in the public interest. Upon the Effective Date of the Release, each Releasor hereby releases the Releasees, and shall be deemed to have fully, finally, forever, and permanently released, remised, acquitted, held harmless, relinquished, and discharged with prejudice all Released Claims brought by such Releasor, and shall have covenanted, and hereby

does covenant, not to sue, or not to assist or permit to be brought, filed or claimed against, any Releasee with respect to any Released Claim in any forum whatsoever, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any Released Claim against any Releasee, and each release as set forth herein shall be given full res judicata effect. Each Releasor shall be deemed to have forever released all Released Claims against the Releasees. It is the intention of the Parties to fully and completely resolve all Claims that have been, could have been, or could be asserted by any Releasor against any Releasee with respect to Products in the State of New Mexico and the Parties agree that this Agreement and the releases contained herein shall fully and completely resolve any past, present or future liability that any Releasee may have arising from, relating to or based on Covered Conduct and/or Alleged Harms occurring prior to the Effective Date of the Release, whether in the Action or otherwise.

B. In connection with the releases provided for in this Agreement, each Releasor will, and hereby does, expressly waive, release, and forever discharge any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; Extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but the Releasors will, and hereby do, expressly waive and fully, finally, and forever settle, release, and discharge, upon the Effective Date of the Release, any and all Released Claims against the Releasees that may exist as of such date but which such Releasor does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or through no fault whatsoever, and which, if known, would materially affect such Releasor's decision to enter into this Agreement.

C. The releases provided for in the Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Releasees the broadest possible bar against any liability arising from or relating in any way to the Released Claims and extend to the full extent of the power of each Releasor to release its claims. This Settlement Agreement is, will constitute, and may be pleaded as, a complete bar to any Released Claim asserted by any Releasor against any Releasee, whether currently pending or in the future.

D. **Dismissal.** As soon as practicable following execution of this Agreement, the Parties will execute and file a Consent Judgment including a dismissal of this Action and the State's Claims against Walmart with prejudice and with each side bearing their own attorneys' fees and costs. Notwithstanding the foregoing, the Consent Judgment shall provide that the Court shall retain jurisdiction for purposes of enforcing compliance with the Settlement Agreement. The Parties shall confer and agree as to the final form and time of filing prior to filing the Consent Judgment.

E. **Statement of Intent.** It is the intent of the Parties that:

1. The payments made under this Agreement shall be the sole payments made by the Releasees involving, arising out of, or related to the Alleged Harm and/or Released Claims;
2. Claims by any Releasor against non-Parties should not result in additional payments by any Releasee for the Released Claims, whether through contribution, indemnification, or any other means; and
3. To the extent permitted under New Mexico law, the Settlement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to any other parties, and it is the intent of the parties that Releasees be discharged from all liability for contribution to any other alleged tortfeasor in the Action, whenever filed.
4. The provisions of this Section IV.F are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

F. **Non-Party Settlement.** To the extent that, on or after the Execution Date of the Agreement, a Releasor settles any Claims arising out of or related to Alleged Harms and/or Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Releasee) ("Non-Party Covered Conduct Claims") it may have against any entity that is not a Releasee (a "Non-Released Entity") that is, as of the Execution Date of the Agreement, a defendant in the Action or any other action and provides a release to such Non-Released Entity (a "Non-Party Settlement"), including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), a Releasor will seek to include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on seeking contribution or indemnity of any kind from the Releasees or a release from such Non-Released Entity in favor of the Releasees (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to seek to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.

G. **Claim-Over.** In the event that a Releasor obtains a judgment with respect to a Non-Party Covered Conduct Claim against a Non-Released Entity that does not contain a prohibition on seeking contribution or indemnity of any kind for a Releasee, or a Releasor files a Non-Party Covered Conduct Claim against a Non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition on seeking contribution or indemnity of any kind for a Releasee in a Non-Party Settlement, and such Non-Released Entity asserts a Claim-Over against a Releasee, the Parties shall meet and confer concerning any additional appropriate means by which to ensure that the Releasees are not required to make any payment with respect to Alleged Harms and/or Covered Conduct beyond the amounts that will already have been paid by Walmart under this Agreement.

H. **Most Favored Nations.** To the extent Walmart enters into a national settlement to resolve substantially all claims against it brought by states, counties, and/or municipalities nationwide similar to those giving rise to this Settlement Agreement (a “National Settlement”) that would have resulted in New Mexico receiving more than the remediation amounts reflected in Section III.A.1 and III.A.2, Walmart shall pay New Mexico the difference between those amounts and the amount that would have been allocated to New Mexico under the National Settlement (the “MFN Payment”). Any MFN Payment shall be made in accordance with the terms of the National Settlement, including without limitation terms related to incentives and payment schedule. The MFN Payment will be subject to Sections IV.E.1 and IV.E.2. The State will determine the allocation of the additional funds consistent with the division in Section III above and the New Mexico MOU. Any additional amount paid will be allocated only to remediation and attorney fees for outside counsel for the State. In the event this Section IV.H is triggered, the State and Walmart shall execute an amendment to this Agreement that sets out the allocation determined by the State of any additional payment as between remediation and attorney fees and costs.

I. **Res Judicata.** Nothing in this Agreement shall be deemed to enlarge or reduce the scope of the res judicata or claim preclusive effect that the settlement memorialized in the Agreement, and/or any Consent Judgment or other judgment or dismissal entered with respect to the Agreement, gives rise to under applicable law, including but not limited to as to any Released Claims asserted against a Releasee by New Mexico Local Governments, whether currently pending or in the future.

J. **Representation and Warranty.** The signatories hereto on behalf of the State expressly represent and warrant that they will obtain on or before the Effective Date of the Release (or have obtained) the authority to settle and release, to the maximum extent of the State's power, all Released Claims of (1) the State; (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts; (3) any of the State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Alleged Harms and/or Covered Conduct seeking money (including abatement and/or remediation) or suspension or revocation of a pharmaceutical distribution or dispensing license. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor.

VI. **No Admission**

A. Each Releasor acknowledges and agrees that this Settlement is a compromise of matters involving disputed issues of law and fact. Walmart is entering into this Settlement solely for the purposes of settlement, to resolve the Released Claims, and thereby avoid significant expense, inconvenience, and uncertainty. Walmart denies the allegations in the Action and denies any civil or criminal liability in the Action. Nothing contained herein may be taken as or deemed to be an admission or concession by Walmart of (i) any violation of law, regulation, or ordinance; (ii) any fault, liability, or wrongdoing; (iii) the strength or weakness of any claim or defense or allegation made in any other past, present, or future proceeding relating to any Covered Conduct, Alleged Harms, and/or any Product; (iv) the legal viability of the claims and theories in the Action, including but not limited to the legal viability of relief sought; or (v) any other matter of fact or

law. Except as required in the injunctive relief required by this Agreement, nothing in this Settlement Agreement shall be construed or used to prohibit any Releasee from engaging in the conduct of its business relating to any Product in accordance with applicable laws and regulations.

VII. Miscellaneous Provisions

A. Use of Agreement as Evidence. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement (i) is or may be deemed to be or may be used as an admission or evidence relating to any matter of fact or law alleged in the Action, the strength or weakness of any claim or defense or allegation with respect to, any Covered Conduct and/or Alleged Harms, or of any wrongdoing, fault or liability of any Releasee; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault, or omission of any Releasees in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Agreement nor any act performed or document executed pursuant to or in furtherance of this Agreement shall be admissible as evidence or otherwise used in any way in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Releasees may use this Agreement in any action for any purpose, including, but not limited to (1) an action involving a determination regarding insurance coverage; (2) an action involving a determination of the taxable income or tax liability of any Releasees; (3) in order to support a claim for contribution and/or indemnification or to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or similar defense or counterclaim, including but not limited to against Released Claims asserted against any Releasee by any New Mexico Local Government, whether currently pending or in the future; or (4) in order to support any other argument or defense by a Releasee that the Settlement Amount provides a measure of compensation or otherwise satisfies the relief sought.

B. Voluntary Settlement. This Settlement Agreement is a product of arm's length settlement negotiations between the duly-authorized representatives of the Parties. The Parties represent and warrant that they have been advised by their respective counsel of their rights and obligations under this Settlement Agreement and the accompanying Releases, and enter into this Settlement Agreement and the accompanying Releases freely, voluntarily, and without duress. The Parties acknowledge and agree that the consideration paid by Walmart for the releases set forth herein represents appropriate and fair consideration.

C. Dispute Resolution. If either Party believes that the other Party is not in compliance with any term of this Settlement, then such Party shall (i) provide written notice specifying the reason(s) why such Party believes that the other Party is not in compliance with the Settlement Agreement; and (ii) allow the other Party at least thirty (30) days to attempt to cure such alleged non-compliance (the "Cure Period"). In the event the alleged non-compliance is cured within the Cure Period, the allegedly breaching Party shall not have any liability for such alleged non-compliance. Neither Party may commence a proceeding to enforce compliance with this Settlement Agreement before expiration of the Cure Period.

D. Authority to Enter Settlement Agreement. Each signatory to this Agreement on behalf of a Party specifically represents and warrants that he or she is fully authorized to enter into and to execute this Agreement on behalf of such Party. Walmart represents that it has the power

and authority to enter into and perform this Agreement, and that the execution and performance of this Agreement has been duly authorized by all requisite corporate or other legal action. The State represents that it is expressly authorized to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms and to enter into and execute this Agreement. Each Party specifically represents and warrants that this Settlement Agreement constitutes a legal, valid, and binding obligation of such Party. The State agrees that it brought this Action in its sovereign capacity as the people's attorney in order to protect the public interest, including the interests of the State of New Mexico and its residents. The State specifically represents and warrants that it has concluded that the terms of this Settlement are fair, reasonable, adequate, and in the best interest of the State of New Mexico and its residents, and that it has satisfied all conditions and taken all actions required by law in order to validly enter into this Settlement. In addition, the State specifically represents and warrants that it has not sold, assigned, or otherwise transferred any Released Claims, or any portion thereof or rights related thereto, to any Third Party.

E. **Notices.** To be effective, all notices under this Agreement shall be in writing and delivered to the persons specified below (i) by e-mail and (ii) by either hand delivery or registered or certified mail, return receipt required, postage pre-paid. Any Party may change its Notice Designee(s) by giving written notice to all other Parties as provided in this paragraph.

1. Notices to the State shall be delivered to:

Brian E. McMath, CIPP/US
Assistant Attorney General
Consumer and Environmental Protection Division
NEW MEXICO OFFICE OF THE ATTORNEY GENERAL
408 Galisteo St.
Santa Fe, NM 87501
Direct: (505) 717-3531
Fax: (505) 318-1050
Email: bmcmath@nmag.gov

AND

Daniel Alberstone
BARON & BUDD, P.C.
15910 Ventura Blvd.
Suite 1600
Encino, CA 91436
Direct: (818) 839-2322
Fax: (818) 986-9698
Email: dalberstone@baronbudd.com

2. Notices to Walmart shall be delivered to:

Karen Roberts
Executive Vice President and General Counsel

Walmart, Inc.
702 S.W. 8th Street
Bentonville, AR 72716
Karen.Roberts@walmartlegal.com

AND

David W. Ogden
Charles C. Speth
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue NW
Washington, DC 20006
(202) 663-6000
david.ogden@wilmerhale.com
charles.speth@wilmerhale.com

Brian K. Mahanna
Wilmer Cutler Pickering Hale and Dorr LLP
7 World Trade Center
250 Greenwich Street
New York, NY 10007
(212) 230-8800
brian.mahanna@wilmerhale.com

F. **Severability; Reinstatement.** In the event any one or more immaterial provisions of this Settlement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Settlement; provided, however, that if a Releasor is required by final order of a court of competent jurisdiction to return the Settlement Payment for any reason, this Agreement, including the releases set forth herein, shall be void ab initio and all rights and remedies of the Parties as they existed immediately prior to the Execution Date shall be reinstated in full.

G. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

H. **Choice of Law.** Any dispute arising from or in connection with the completion and execution of the Settlement Agreement shall be governed by New Mexico law without regard to its choice of law provisions and the Parties agree to venue in the First Judicial District Court, County of Santa Fe, State of New Mexico.

I. **Headings; No Conflict Intended.** The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

J. **No Party Deemed to Be the Drafter.** None of the Parties hereto shall be deemed to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law,

or rule of interpretation or construction that would or might cause any provision to be construed against the drafter.

K. **Amendment; Waiver.** This Agreement shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving Party. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.


L. **Execution in Counterparts.** 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. An executed signature page of this Settlement delivered in PDF format via email shall be as effective as an original executed signature page.

M. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties and no representations, warranties, or inducements have been made to any Party concerning this Agreement other than the representations, warranties, and covenants contained and memorialized herein. As such, the Parties represent and warrant that they are not relying on any promises, inducements, or representations other than those provided herein.

N. **Public Statements.** The Parties agree that the terms of this Settlement shall remain strictly confidential and that no press releases or other public statements concerning the Settlement shall be made until December 16, 2022 or the Execution Date, whichever is later. The parties agree that prior to such date the State may enter into a confidentiality agreement with New Mexico Local Governments for the purpose of maintaining the confidentiality of this Agreement as set forth herein. Once a Local Government executes the confidentiality agreement, the State may share details of this Agreement with the Local Government. To the extent a Local Government must discuss the terms of the settlement with their commissions, the confidentiality agreement shall provide that such Local Government be required to do so in executive session only, per the Open Meetings Act litigation exception, N.M. Stat. Ann. § 10-15-1(H)(7) (1978).

IN WITNESS WHEREOF, the Parties hereto, through their fully authorized representatives, have executed this Agreement as of the dates set forth below.

WALMART

By: 
Charles C. Speth
Wilmer Cutler Pickering Hale and
Dorr LLP
Counsel for Walmart Inc.

Date: 12-8-2022

HECTOR H. BALDERAS
NEW MEXICO ATTORNEY GENERAL

By: 
Brian E. McMath, CIPP/US
Assistant Attorney General
NEW MEXICO OFFICE OF THE
ATTORNEY GENERAL
408 Galisteo St.
Santa Fe, NM 87501
Direct: (505) 717-3531
Fax: (505) 318-1050

Date: 12/8/22

Exhibit A
Alleged Harms

The following expert reports that were served in connection with the case captioned *State of New Mexico, ex rel. Hector Balderas, Attorney General v. Walmart Inc. f/k/a Wal-Mart Stores, Inc., Wal-Mart Warehouse #6045, Wal-Mart Warehouse #6032, Wal-Mart Stores East, L.P.*, No. D.101-CV-2017-02541 provide non-exclusive examples of Alleged Harms:

1. Expert report of Katherine Keyes, Ph.D., dated January 28, 2022.
2. Expert report of Keith Eubanks, dated January 28, 2022; revised expert report of Keith Eubanks, dated August 4, 2022.
3. Expert report of Ted Miller, Ph.D., dated January 28, 2022; corrected expert report of Ted Miller, Ph.D., dated April 14, 2022; second corrected expert report of Ted Miller, Ph.D., dated June 9, 2022.
4. Expert report of Allen Dobson, Ph.D., dated January 28, 2022.
5. Expert report of Dr. R. Corey Waller, dated January 2022.
6. Expert report of Dr. Daniel Duhigg, dated January 28, 2022.

Exhibit B
Form of Consent Judgment

**FIRST JUDICIAL DISTRICT COURT
COUNTY OF SANTA FE
STATE OF NEW MEXICO**

Case No. D-101-CV-2017-02541

Judge Francis M. Mathew

STATE OF NEW MEXICO, EX REL.,
HECTOR BALDERAS, ATTORNEY
GENERAL,

Plaintiff,

v.

PURDUE PHARMA L.P., *et al.*,

Defendants.

CONSENT JUDGMENT

Plaintiff, the State of New Mexico, ex rel. Hector Balderas, Attorney General (“Plaintiff”), brought the above-captioned action against Defendant Walmart Inc. (“Walmart”), alleging, among other things, that Walmart violated New Mexico law by failing to monitor, report, and not ship allegedly suspicious orders of opioid pain medications, filling prescriptions for opioid pain medications that allegedly were suspicious or were not written for a legitimate medical purpose, and by failing to implement effective controls and procedures to guard against diversion of opioid pain medications; that the foregoing conduct caused a public nuisance in New Mexico; and that Walmart violated the New Mexico Unfair Practices Act (NMSA 1978, §§ 57-12-1 to -26) (the “New Mexico AG Action”).

In addition, numerous governmental entities in New Mexico, including counties, cities, towns, villages and similar entities (“Local Governments”) have brought separate lawsuits

(“Actions”) in various forums against Walmart and certain of its affiliates, among others. These Actions assert claims that arise out of or relate to alleged conduct that is substantially similar to or overlaps with the conduct alleged in the New Mexico AG Action (the “Covered Conduct”).

Walmart denies the allegations in the New Mexico AG Action and other Actions and maintains that it has no liability whatsoever to Plaintiff or to any Local Government or other governmental entity (whether such governmental entity has brought or is a party to another Action or not). Walmart denies that it engaged in any wrongdoing, denies that it violated any federal or state law, denies that Plaintiff, any Local Government, any other governmental entity, or any New Mexico resident was harmed by its conduct, denies all liability against Walmart or its affiliates arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Actions, contends that the factual allegations made in the Local Governments’ Actions relating to Walmart and its affiliates are false and materially inaccurate, and maintains that it has meritorious defenses and would be able to successfully defend against Plaintiff’s claims and allegations at trial and any Local Government’s claims.

Plaintiff and Walmart (the “Parties”), by their respective counsel, have agreed to a resolution of the New Mexico AG Action on terms set out in the Confidential Settlement Agreement and Full Release of All Claims (the “Agreement,” attached to this Consent Judgment), which include the entry of this Consent Judgment (including the injunctive terms incorporated herein) by the Court without trial or finding or admission of wrongdoing or liability of any kind. Furthermore, under the Agreement and as effectuated in this Consent Judgment, the New Mexico AG has agreed to use all best efforts to obtain releases on behalf of all Local Governments as specified in the Agreement. The intention of the Parties is to resolve and release all Claims of the State of New Mexico, the New Mexico AG and Local Governments, whether asserted previously

or in the future, that arise out of or relate to the Covered Conduct. Unless otherwise specified, capitalized terms used herein shall have the meanings specified in the Agreement.

NOW THEREFORE, without trial or adjudication of any issue of fact or law presented in the New Mexico AG Action or the other Actions, without this Consent Judgment constituting evidence against or admission by anyone with respect to any issue of fact or law, and upon the Parties' consent, IT IS HEREBY ORDERED AS FOLLOWS:

I. PARTIES

1. Defendant Walmart is a Delaware corporation with its principal place of business in Delaware.

2. Plaintiff has the authority to act in the public interest and on behalf of the people of New Mexico and the State itself.

II. JURISDICTION

3. This Court has jurisdiction over the Parties and the subject matter of this action, each of which submits to the jurisdiction of the Court for purposes limited to the Court's role as provided in, and for resolving disputes to the extent provided in, the Agreement.

III. AGREEMENT

4. The Parties have agreed to resolution of the New Mexico AG Action under the terms of their Agreement, which is attached hereto as Exhibit 1. This Consent Judgment summarizes and gives effect to those terms. In the event of a conflict between the terms of the Agreement (including its exhibits) and this summary document, the terms of the Agreement shall govern. Nothing in this summary document shall have the effect of expanding, diminishing, explaining, or otherwise modifying any term of the Agreement.

IV. FINANCIAL TERMS

5. Pursuant to the terms of the Parties' Agreement, Walmart shall pay the sum of \$150,000,000 (the "Settlement Amount") as specified in the Agreement, consisting of (1) a Participating Local Governments Remediation Payment of \$56,760,000 to be allocated in accordance with the New Mexico Memorandum of Understanding to fund opioid abatement and treatment activities throughout the State, (2) a State Remediation Payment of \$46,440,000 to be expended solely on remediation efforts as permitted in the New Mexico Memorandum of Understanding, (3) a \$45,000,000 payment to be available to reimburse the reasonable fees, costs and expenses incurred by outside counsel to New Mexico (\$3,870,000 of which is held back and deposited into the MDL Common Benefit Fund), and (4) a \$1,800,000 payment to cover litigation costs incurred by New Mexico. The Settlement Amount reflects a substantial premium for the State given the unique facts and circumstances associated with the Actions, including without limitation the State's trial of this action and the impact of opioid abuse and misuse in the State.

Through the entry of this Consent Judgment, the Court finds that the Settlement Amount was negotiated in good faith, is fair and is in the in the best interests of the State, the Local Governments and their respective citizens.

V. INJUNCTIVE TERMS

6. The Parties' Agreement on injunctive terms is set forth in Section III.D of the Agreement. The Parties agree that the Court shall retain jurisdiction to enter an Amended Consent Judgment imposing injunctive terms in accordance with the Agreement, and that the Parties shall confer and agree as to the final form and time of filing of such Amended Consent Judgment prior to its filing with the Court. The Parties further agree that compliance with injunctive terms may be enforced in this Court consistent with the terms to be specified in the injunctive provisions set forth in the Amended Consent Judgment.

VI. RELEASES AND DISMISSAL WITH PREJUDICE

7. Plaintiff and Walmart have agreed to the Release of certain claims as provided in Section V of the Agreement. Such releases are given in good faith and upon entry of this Consent Judgment shall be effective as to all Releasors (as defined in the Agreement). Plaintiff's Claims against Walmart are hereby DISMISSED WITH PREJUDICE, with each Party to bear its own costs except as specified in the Agreement.

8. Further, as a condition precedent to the Agreement becoming effective with respect to a Local Government, such Local Government is required to execute an Election and Release Form (Exhibit D to the Agreement), through which those Participating Local Governments agreed to be bound by all terms and conditions of the Agreement, including but not limited to the Release of certain claims provided in Section V of the Agreement. Such Releases by Participating Local Governments are given in good faith and shall become effective upon execution. The Election and Release Form will also require the claims of all Participating Local Governments to be DISMISSED WITH PREJUDICE, with each party to bear its own costs except as specified in the Agreement.

VII. MISCELLANEOUS

9. This Court retains jurisdiction to enforce the terms of this Consent Judgment and any Amended Consent Judgment. The Parties may jointly seek to modify the terms of this Consent Judgment, subject to the approval of this Court. This Consent Judgment may be modified only by order of this Court.

Entry of this Consent Judgment is in the public interest.

IT IS SO ORDERED, ADJUDGED AND DECREED, this ___ day of _____, 2022.

JOINTLY APPROVED AND SUBMITTED
FOR ENTRY:

COUNSEL FOR THE STATE OF NEW
MEXICO

/s/ Brian E. McMath
Brian E. McMath
P. Cholla Khoury
New Mexico Office of the Attorney General
P.O. Drawer 1508
Santa Fe, NM 87504-1508
Phone: (505) 717-3500
Fax: (505) 318-1050
bmcmath@nmag.gov
ckhoury@nmag.gov

COUNSEL FOR DEFENDANT WALMART
INC.

By: _____

Date: _____

Exhibit C
New Mexico MOU

NEW MEXICO OPIOID ALLOCATION AGREEMENT

A. Definitions

As used in this New Mexico Opioid Allocation Agreement (“NMOAA”):

1. “Local Government” shall mean every litigating county and city, each county regardless of population, each city with a population exceeding 10,000, and any Special District as that term is defined in the Master Settlement Agreements within the geographic boundaries of the State of New Mexico.¹ For avoidance of doubt, Local Governments within this definition are identified on Exhibit A hereto.
2. “Opioid Funds” shall mean monetary amounts obtained through a Settlement as defined in this NMOAA.
3. “Opioid Related Expenditure” shall mean an expenditure consistent with the categories enumerated in Exhibit E to the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> and attached hereto as Exhibit B.
4. “Parties” shall mean the State of New Mexico and Participating Local Governments.
5. “Pharmaceutical Supply Chain Participant” shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution or dispensing of an opioid analgesic, including but not limited to those persons or entities identified as Defendants in the matter captioned *In re: Opioid Litigation*, MDL 2804 pending in the United States District Court for the Northern District of Ohio.
6. “Participating Local Government” is any Local Government that agrees to be bound by a Settlement by Participation Agreement necessary to effectuate that Settlement or other similar document.
7. “Settlement” shall mean the settlement reached with the Distributor Opioid Defendants, namely McKesson Corporation, AmerisourceBergen Corporation, and Cardinal Health, Inc. (each a “Settling Distributor”) and the settlement reached with Janssen (“J&J”)² (referenced as “National Distributor Settlement” and “J&J Settlement”) with certain states and local government entities that the State of New Mexico and its Local Governments have the option to join. For avoidance of doubt, a Settlement shall not include the resolution of any other legal or equitable claims alleged against any other Supply Chain Participant other than the Settling Distributors and J&J.

¹ The population figures contained in this NMOAA shall be derived from the published U.S. Census Bureau’s population estimates for July 1, 2019, released May 2020 as set forth in the Master Settlement Agreements.

² “Janssen” means Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuticals, Inc.

8. “Master Settlement Agreements” shall mean the agreements documenting a Settlement. For the purposes of this NMOAA the Distributor Master Settlement Agreement and the J&J Master Settlement Agreement found at <https://nationalopioidsettlement.com/> are Master Settlement Agreements under the meaning of this NMOAA.
9. “State” shall mean the State of New Mexico.

B. Allocation of the Opioid Settlement Proceeds

1. The Parties shall in good faith negotiate to identify an appropriate settlement administrator to receive and distribute Opioid Funds pursuant to this NMOAA (“Settlement Administrator”). The costs of the Settlement Administrator shall be paid jointly by the Parties prior to the distribution of Opioid Funds under this NMOAA with the State bearing 50% of those costs and the Local Governments bearing 50% of those costs.
2. Opioid Funds shall not be considered funds of the State or any Local Government unless and until such time as an allocation is made to the State or any Local Government pursuant to this Section.
3. If each and every Local Government as defined in Section A.1 joins the Master Settlements Agreements no later than March 7, 2022, after paying the costs of the Settlement Administrator, the Settlement Administrator shall allocate the remainder of the Opioid Funds as follows: (i) 45% to the State of New Mexico (“State Share”) and (ii) 55% to the Local Governments (the “LG Share”); provided, however, that the Settlement Administrator shall set aside the portion of the LG Share into the Attorney Fee Backstop Fund as provided in Section D below.
4. The LG Share will be divided into regions, each of which will be referred to as a “Region” and will consist of either: (1) a single Participating County that does not have any Participating Cities as listed on Exhibit C, (2) a single Participating County and all of its Participating Cities as listed on Exhibit C beneath the Participating County, or (3) a single Participating City. Two or more Regions may at their discretion form a group (“Multicounty Region”). Regions that do not choose to form a Multicounty Region will be their own Region.
5. The LG Share will be distributed to each Region as set forth in Exhibit C. In Regions with more than one member, members of the Region may agree to have the funds allocated to the Region suballocated amongst themselves in any manner they collectively choose or to have all funds allocated to the Region distributed to a single member of the Region. By July 1, 2022, each Region with more than one member shall communicate to the Settlement Administrator how the Region’s portion of the LG Share shall be distributed to the Region or that the members of the Region have agreed to extend the deadline to reach agreement. Absent a different agreement timely being reached among the members of the Region, the default allocation to members of a Region with more than one member is the formula from Exhibit G to the Master

Settlement Agreements. The Settlement Administrator shall make all distributions to Regions with more than one member or their members in accordance with instructions received or the default allocation described in the previous sentence; provided, however, that the Settlement Administrator shall not make any distributions to a Region with more than one member prior to July 1, 2022, or such later deadline to reach an agreement agreed to by the members of a Region and timely communicated to the Settlement Administrator.

6. Except as provided herein or as provided by court order, 100% of the State Share and the LG Share, regardless of allocation, shall be utilized only for Opioid Related Expenditures.

C. Compliance Reporting and Accountability

1. Every Participating Local Government shall create a separate fund or project on its financial books and records that is designated for the receipt and expenditure of each entity's portion of the LG Share, called the "LG Abatement Fund." Funds in an LG Abatement Fund shall not be commingled with any other money or funds of the Local Government. A Local Government may invest LG Abatement Fund funds consistent with the investment of other funds of a Local Government.
2. Funds in a LG Abatement Fund may be expended by a Local Government only for Opioid Related Expenditures. For avoidance of doubt, funds in a LG Abatement Fund may not be expended for costs, disbursements, or payments made or incurred prior to the Settlement.
3. As part of the State or a Participating Local Government's annual audit pursuant to the State Audit Act, NMSA 1978, Chapter 12, Article 6, both the State fund and each LG Abatement Fund shall be audited to provide reasonable assurances that the LG Abatement Fund disbursements are consistent with the terms of this NMOAA. If any such audit reveals an expenditure inconsistent with the terms of this NMOAA, the State or the Local Government shall immediately redirect an amount equal to the funds associated with the inconsistent expenditure from another revenue source that may permissibly be expended for such purposes to an Opioid Related Expenditure. Either the State or the Participating Local Government who has been found to have expended funds inconsistently with this NMOAA will be ineligible to receive further distributions of the LG Share unless and until such a redirection is accomplished and confirmed by the State Auditor. The Settlement Administrator shall be instructed to hold either the State or that Local Government's future portion of the LG Share in escrow until instructed to release those funds by the State Auditor.
4. Local Governments may combine their respective portion of the LG Share with other Local Governments or the State.

D. Payment of Counsel and Opioid Litigation Expenses

1. Each of the Litigating Local Governments has contracted with outside counsel (“Counsel”) for representation in the Litigation. In consideration for Counsel’s representation, each of the Litigating Local Governments contracted with its Counsel for a contingency fee applied to each Litigating Local Government’s recovery.³
2. The Master Settlement Agreements provide for the payment of attorney’s fees and legal expenses owed by States and Participating Local Governments to outside counsel retained for Opioid Litigation. To effectuate this, the Court in the MDL Litigation has established a fund to compensate attorneys for services rendered and expenses incurred that have benefitted plaintiffs generally in the litigation (the “National Attorney Fee Fund”). The National Attorney Fee Fund is subdivided into sub-funds, including the Contingency Fee Sub-fund.
3. Because there is uncertainty regarding what Counsel will recover as compensation from the National Attorney Fee Fund, the Parties agree that the Participating Local Governments will create a New Mexico attorney’s fees and costs fund (the “New Mexico Backstop Fund”) to compensate Counsel only in the event Counsel does not recover an amount equal to a 15% contingent fee from of the Contingency Fee Sub-fund of the National Attorney Fee Fund. For the avoidance of doubt, collectively, Counsel is limited to being paid, at most, and assuming adequate funds are available under the Contingency Fee Sub-fund of the National Attorneys Fee Fund and the New Mexico Backstop Fund, attorney’s fees totaling fifteen percent (15%) of the LG Share.
4. Counsel must first seek recovery from the Contingency Fee Sub-fund of the National Attorney Fee Fund before applying to the New Mexico Backstop Fund and may not recover from the New Mexico Backstop Fund any amounts recovered from the Contingency Fee Sub-fund of the National Attorney Fee Fund. Counsel need only make a single application to the Contingency Fee Sub-fund of the National Attorney Fee Fund before applying to the New Mexico Backstop Fund.
5. After paying the LG Share of the costs of the Settlement Administrator, the Administrator shall deposit in the New Mexico Backstop Fund an amount equal to 15% of the LG Share and distribute the remainder of the funds allocated to Local Governments as set forth in Section B.5 above. No funds from the State Share shall be used to pay Local Governments’ attorneys’ fees and no funds from the State Share shall be paid to the New Mexico Backstop Fund.
6. To ensure that all Counsel for Litigating Local Governments receive compensation, if there is only one Litigating Local Government in a Region, then that counsel will apply for its contingency fee based on the Region’s recovery. If there is more than one

³ For purposes of this NMOAA, the parties agree not to dispute that such contingency fee agreements are permissible under the State Procurement Code, NMSA 1978 Sections 13-1-28 to -199. However, nothing in this NMOAA should be construed to indicate that the State agrees that such contingency fee agreements are permissible under the State Procurement Code.

Litigating Local Government in a Region, then the Counsel will apply for its contingency fee based on Exhibit G to the Master Settlement Agreements unless the Local Government receives an alternative, negotiated amount in which case the fifteen percent maximum recovery shall be based on that recovery amount.

7. Payments to Counsel shall be made from the New Mexico Backstop Fund in the same percentages and over the same period as the Contingency Fee Fund for each National Settlement as set forth in Exhibit R §(II)(S)(1) of the Distributor Settlement Agreement and Exhibit R §(II)(A)(1) of the Janssen Settlement Agreement.
8. Any funds remaining in the New Mexico Backstop Fund in excess of the amounts needed to cover the deficiency in attorney's fees as provided in this Section shall be distributed as follows. A Litigating Local Government whose Counsel did not need to recover their entire fifteen percent contingent fee from the New Mexico Backstop Fund will receive a direct allocation from the New Mexico Backstop Fund calculated by subtracting from the amount calculated in accordance with Section D.6 the amount distributed to the Local Government's counsel from the New Mexico Backstop Fund.
9. If, after making the distributions provided for in Section D.8, there remains any funds in the New Mexico Backstop fund, those funds will be distributed to Regions in accordance with Exhibit C and Section B.5.

E. Other Terms

1. The Parties agree to make such amendments as necessary to implement the intent of this NMOAA. After this NMOAA becomes effective, amendments may only be made to this NMOAA if approved in writing by the Office of the Attorney General and at least two-thirds of the Participating Local Governments. Amendments to the amount or timing of the distribution of funds to the Participating Local Governments require participation of one hundred percent (100%) of the Participating Local Governments that would be impacted by the amendment.
2. This NMOAA shall be governed by and construed under the laws of the State of New Mexico using New Mexico law. Any action related to the provisions of this NMOAA, except as otherwise provided in the Master Settlement Agreements, must be adjudicated by the New Mexico state courts of Santa Fe County in the State of New Mexico.
3. This NMOAA does not supersede or alter the terms of the Master Settlement Agreements except to the extent those terms allow for a State-Subdivision Agreement to do so.
4. If any part of this NMOAA is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

5. This NMOAA may be executed in counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. A signature transmitted by facsimile or electronic image shall be deemed an original signature for purposes of executing this NMOAA.
6. Each person signing this NMOAA represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this NMOAA on behalf of the named governmental entity.

SIGNATURE BLOCKS TO BE INSERTED

IN WITNESS WHEREOF, the parties hereby execute the NMOAA as of the date set forth below.

ON BEHALF OF THE LOCAL GOVERNMENTS:

_____ Date: _____
Albuquerque Public School District
Printed: _____

_____ Date: _____
Bernalillo County
Printed: _____

_____ Date: _____
Catron County
Printed: _____

_____ Date: _____
Chaves County
Printed: _____

_____ Date: _____
Cibola County
Printed: _____

_____ Date: _____
City of Alamogordo
Printed: _____

_____ Date: _____
City of Albuquerque
Printed: _____

_____ Date: _____
City of Artesia

Printed: _____

_____ Date: _____

City of Carlsbad

Printed: _____

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City of Clovis

Printed: _____

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City of Deming

Printed: _____

_____ Date: _____

City of Española

Printed: _____

_____ Date: _____

City of Farmington

Printed: _____

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City of Gallup

Printed: _____

_____ Date: _____

City of Hobbs

Printed: _____

_____ Date: _____

City of Las Cruces

Printed: _____


_____ Date: _____
City of Las Vegas
Printed: _____

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City of Lovington
Printed: _____

_____ Date: _____
City of Portales
Printed: _____

_____ Date: _____
City of Rio Rancho
Printed: _____

_____ Date: _____
City of Roswell
Printed: _____

 _____ Date: Feb 28, 2023
City of Santa Fe
Printed: Alan M. Webber

_____ Date: _____
City of Sunland Park
Printed: _____

_____ Date: _____
Colfax County
Printed: _____

_____ Date: _____

Curry County

Printed: _____

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De Baca County

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Doña Ana County

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Eddy County

Printed: _____

_____ Date: _____

Grant County

Printed: _____

_____ Date: _____

Guadalupe County

Printed: _____

_____ Date: _____

Harding County

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Hidalgo County

Printed: _____

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Lea County

Printed: _____

_____ Date: _____

Lincoln County

Printed: _____

_____ Date: _____

Los Alamos County

Printed: _____

_____ Date: _____

Luna County

Printed: _____

_____ Date: _____

McKinley County

Printed: _____

_____ Date: _____

Mora County

Printed: _____

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Otero County

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Quay County

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Rio Arriba County

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Roosevelt County
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Santa Fe County
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Sierra County
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Socorro County
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Taos County
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_____ Date: _____
Torrance County

Printed: _____

_____ Date: _____

Town of Bernalillo

Printed: _____

_____ Date: _____

Union County

Printed: _____

_____ Date: _____

Valencia County

Printed: _____

_____ Date: _____

Village of Los Lunas

Printed: _____

ON BEHALF OF THE STATE OF NEW MEXICO:

Brian McMath Digitally signed by Brian McMath
Date: 2022.03.08 17:04:09 -0700 _____ Date: March 7, 2022

Office of the Attorney General

State of New Mexico

Printed: Brian E. McMath

Exhibit A
NM Subdivisions Required to Participate in Both Opioid Deals
To Assure 100% Payment

Bernalillo County	City of Albuquerque
Catron County	City of Alamogordo
Chaves County	City of Artesia
Cibola County	City of Carlsbad
Colfax County	City of Clovis
Curry County	City of Deming
De Baca County	City of Española
Doña Ana County	City of Farmington
Eddy County	City of Gallup
Grant County	City of Hobbs
Guadalupe County	City of Las Cruces
Harding County	City of Las Vegas
Hidalgo County	City of Lovington
Lea County	City of Portales
Lincoln County	City of Rio Rancho
Los Alamos County	City of Roswell
Luna County	City of Santa Fe
McKinley County	City of Sunland Park
Mora County	Town of Bernalillo
Otero County	Village of Los Lunas
Quay County	
Rio Arriba County	
Roosevelt County	Albuquerque Public School District
San Juan County	
San Miguel County	
Sandoval County	
Santa Fe County	
Sierra County	
Socorro County	
Taos County	
Torrance County	
Union County	
Valencia County	

EXHIBIT E

List of Opioid Remediation Uses

**Schedule A
Core Strategies**

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies (“*Core Strategies*”).¹⁴

- A. **NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES**
1. Expand training for first responders, schools, community support groups and families; and
 2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.
- B. **MEDICATION-ASSISTED TREATMENT (“MAT”) DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT**
1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;
 2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;
 3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and
 4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

¹⁴ As used in this Schedule A, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

C. **PREGNANT & POSTPARTUM WOMEN**

1. Expand Screening, Brief Intervention, and Referral to Treatment (“*SBIRT*”) services to non-Medicaid eligible or uninsured pregnant women;
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for women with co-occurring Opioid Use Disorder (“*OUD*”) and other Substance Use Disorder (“*SUD*”)/Mental Health disorders for uninsured individuals for up to 12 months postpartum; and
3. Provide comprehensive wrap-around services to individuals with OUD, including housing, transportation, job placement/training, and childcare.

D. **EXPANDING TREATMENT FOR NEONATAL ABSTINENCE SYNDROME (“*NAS*”)**

1. Expand comprehensive evidence-based and recovery support for NAS babies;
2. Expand services for better continuum of care with infant-need dyad; and
3. Expand long-term treatment and services for medical monitoring of NAS babies and their families.

E. **EXPANSION OF WARM HAND-OFF PROGRAMS AND RECOVERY SERVICES**

1. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments;
2. Expand warm hand-off services to transition to recovery services;
3. Broaden scope of recovery services to include co-occurring SUD or mental health conditions;
4. Provide comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare; and
5. Hire additional social workers or other behavioral health workers to facilitate expansions above.

F. **TREATMENT FOR INCARCERATED POPULATION**

1. Provide evidence-based treatment and recovery support, including MAT for persons with OUD and co-occurring SUD/MH disorders within and transitioning out of the criminal justice system; and
2. Increase funding for jails to provide treatment to inmates with OUD.

G. **PREVENTION PROGRAMS**

1. Funding for media campaigns to prevent opioid use (similar to the FDA's "Real Cost" campaign to prevent youth from misusing tobacco);
2. Funding for evidence-based prevention programs in schools;
3. Funding for medical provider education and outreach regarding best prescribing practices for opioids consistent with the 2016 CDC guidelines, including providers at hospitals (academic detailing);
4. Funding for community drug disposal programs; and
5. Funding and training for first responders to participate in pre-arrest diversion programs, post-overdose response teams, or similar strategies that connect at-risk individuals to behavioral health services and supports.

H. **EXPANDING SYRINGE SERVICE PROGRAMS**

1. Provide comprehensive syringe services programs with more wrap-around services, including linkage to OUD treatment, access to sterile syringes and linkage to care and treatment of infectious diseases.

I. **EVIDENCE-BASED DATA COLLECTION AND RESEARCH ANALYZING THE EFFECTIVENESS OF THE ABATEMENT STRATEGIES WITHIN THE STATE**

Schedule B
Approved Uses

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (“*OUD*”) and any co-occurring Substance Use Disorder or Mental Health (“*SUD/MH*”) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:¹⁵

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment (“*MAT*”) approved by the U.S. Food and Drug Administration.
2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (“*ASAM*”) continuum of care for OUD and any co-occurring SUD/MH conditions.
3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
4. Improve oversight of Opioid Treatment Programs (“*OTPs*”) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.
5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.
6. Provide treatment of trauma for individuals with OUD (*e.g.*, violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (*e.g.*, surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.
7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.

¹⁵ As used in this Schedule B, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

8. Provide training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.
9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.
10. Offer fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
11. Offer scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD/MH or mental health conditions, including, but not limited to, training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.
12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (“*DATA 2000*”) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
13. Disseminate of web-based training curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service–Opioids web-based training curriculum and motivational interviewing.
14. Develop and disseminate new curricula, such as the American Academy of Addiction Psychiatry’s Provider Clinical Support Service for Medication–Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the programs or strategies that:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.
2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.
3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.

4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved medication with other support services.
5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.
6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.
7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.
8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.
9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.
11. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.
12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.
14. Create and/or support recovery high schools.
15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED
(CONNECTIONS TO CARE)

Provide connections to care for people who have—or are at risk of developing—OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.
2. Fund SBIRT programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.
3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.
6. Provide training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.
7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically appropriate follow-up care through a bridge clinic or similar approach.
8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.
9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.
11. Expand warm hand-off services to transition to recovery services.
12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.
13. Develop and support best practices on addressing OUD in the workplace.

14. Support assistance programs for health care providers with OUD.
15. Engage non-profits and the faith community as a system to support outreach for treatment.
16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

D. ADDRESS THE NEEDS OF CRIMINAL JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:
 1. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (“*PAARP*”);
 2. Active outreach strategies such as the Drug Abuse Response Team (“*DART*”) model;
 3. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;
 4. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (“*LEAD*”) model;
 5. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or
 6. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.
2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.
3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.

4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison or have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.
6. Support critical time interventions (“CTP”), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.
7. Provide training on best practices for addressing the needs of criminal justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome (“NAS”), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women—or women who could become pregnant—who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.
3. Provide training for obstetricians or other healthcare personnel who work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.
4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; and expand long-term treatment and services for medical monitoring of NAS babies and their families.

5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with NAS get referred to appropriate services and receive a plan of safe care.
6. Provide child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.
7. Provide enhanced family support and child care services for parents with OUD and any co-occurring SUD/MH conditions.
8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.
9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including, but not limited to, parent skills training.
10. Provide support for Children's Services—Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding medical provider education and outreach regarding best prescribing practices for opioids consistent with the Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).
2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
3. Continuing Medical Education (CME) on appropriate prescribing of opioids.
4. Providing Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Supporting enhancements or improvements to Prescription Drug Monitoring Programs (“PDMPs”), including, but not limited to, improvements that:

1. Increase the number of prescribers using PDMPs;
2. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs, by improving the interface that prescribers use to access PDMP data, or both; or
3. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.
6. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.
7. Increasing electronic prescribing to prevent diversion or forgery.
8. Educating dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding media campaigns to prevent opioid misuse.
2. Corrective advertising or affirmative public education campaigns based on evidence.
3. Public education relating to drug disposal.
4. Drug take-back disposal or destruction programs.
5. Funding community anti-drug coalitions that engage in drug prevention efforts.
6. Supporting community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction—including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (“SAMHSA”).
7. Engaging non-profits and faith-based communities as systems to support prevention.

8. Funding evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.
11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.
12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or another drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increased availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.
2. Public health entities providing free naloxone to anyone in the community.
3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.
4. Enabling school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.
5. Expanding, improving, or developing data tracking software and applications for overdoses/naloxone revivals.
6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.
8. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.
10. Expanding access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.
11. Supporting mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.
12. Providing training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.
13. Supporting screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items in section C, D and H relating to first responders, support the following:

1. Education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, coordination, facilitations, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment

intervention services, and to support training and technical assistance and other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A dashboard to (a) share reports, recommendations, or plans to spend opioid settlement funds; (b) to show how opioid settlement funds have been spent; (c) to report program or strategy outcomes; or (d) to track, share or visualize key opioid- or health-related indicators and supports as identified through collaborative statewide, regional, local or community processes.
3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, those that:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (*e.g.*, health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (*e.g.*, Hawaii HOPE and Dakota 24/7).
7. Epidemiological surveillance of OUD-related behaviors in critical populations, including individuals entering the criminal justice system, including, but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring (“*ADAM*”) system.
8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.
9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.

Region	Percentage
Albuquerque City	22.7540246633%
Bernalillo County	18.6169292699%
Catron County	0.1129940051%
Chaves County	2.5358877708%
Roswell City	
Cibola County	0.7723148257%
Colfax County	0.7448541610%
Curry County	1.4056466248%
Clovis City	
De Baca County	0.0650725663%
Dona Ana County	7.0811945176%
Las Cruces City	
Sunland Park City	
Eddy County	2.5979985848%
Artesia City	
Carlsbad City	
Grant County	1.8057321396%
Guadalupe County	0.1869187026%
Harding County	0.0102668257%
Hidalgo County	0.1965507765%
Lea County	2.0400522723%
Hobbs City	
Lovington City	
Lincoln County	1.2208675842%
Los Alamos County	0.5915454490%
Luna County	0.8374453274%
Deming City	
McKinley County	1.7937565726%
Gallup City	
Mora County	0.1903934157%
Otero County	2.5746166552%
Alamogordo City	
Quay County	0.4733520608%
Rio Arriba County	4.5982959101%
Española City	
Roosevelt County	0.5396810214%
Portales City	
San Juan County	3.8184895185%
Farmington City	
San Miguel County	1.6661207044%
Las Vegas City	
Sandoval County	4.5573671729%

Bernalillo Town	
Rio Rancho City	
Santa Fe City	4.5408953413%
Santa Fe County	3.5143193357%
Sierra County	1.0308488455%
Socorro County	0.7363065077%
Taos County	1.7429125688%
Torrance County	0.7071523256%
Union County	0.1108929666%
Valencia County	3.8283030105%
Los Lunas Village	

Exhibit E
[Exhibit E Intentionally Left Blank]

Exhibit F
Injunctive Relief

I. INTRODUCTION

A. Within 90 days of the entry of a Consent Judgment (as defined in the Settlement Agreement and Full Release of All Claims) imposing the injunctive relief terms set forth in this Agreement (the “Settlement Terms”) (the “Effective Date”), except where the Settlement Terms specify a different implementation period, Walmart Inc. (“Walmart” or the “Settling Pharmacy”) shall implement the Settlement Terms.

B. To the extent that the Settling Pharmacy already has in place committees, departments, policies or programs that satisfy the terms of this Agreement, no re-naming is required by this Agreement.

C. Overview

1. The Settling Pharmacy will implement or maintain a Controlled Substance Compliance Program (“CSCP”).

2. The CSCP must include written standard operating procedures and/or corporate policies (the “CSCP Policies and Procedures”) required by this Agreement.

3. The CSCP shall apply during the term of this Agreement to each of the Settling Pharmacy’s retail pharmacy stores within the State of New Mexico.

4. The Settling Pharmacy shall provide a copy of the relevant CSCP Policies and Procedures to the State within 90 days of the Effective Date. To the extent any implementation is expected to require additional time, the parties agree to work together in good faith to establish a timeline for implementation.

D. Compliance with Laws

1. The Settling Pharmacy acknowledges and agrees that its retail pharmacies must comply with applicable federal and New Mexico state laws, including regarding the dispensing of Controlled Substances. The requirements of the Settlement Terms are in addition to, and not in lieu of, any other requirements of federal or New Mexico state law. Nothing in the Settlement Terms shall be construed as relieving the Settling Pharmacy of the obligation of its retail pharmacies to comply with all federal and New Mexico state and local laws, nor shall any of the provisions of the Settlement Terms be deemed as permission for the Settling Pharmacy to engage in any acts or practices prohibited by such laws.

2. The Settlement Terms are not intended to and shall not be interpreted to prevent the Settling Pharmacy from taking or implementing any other compliance or policy steps necessary to address their retail pharmacies’ conformity with local, state, and federal legal requirements. In the event that the Settling Pharmacy determines that there is a conflict between the Settlement Terms and the requirements of federal, state, or local laws, such that the Settling Pharmacy determines that it cannot comply with the Settlement Terms without violating these

requirements, the Settling Pharmacy shall document such conflicts and notify the State that it intends to comply with the law to the extent necessary to eliminate the conflict. Within thirty (30) days after receipt of a notification from the Settling Pharmacy referenced above, the State may request a meeting to discuss the conflict and the Settling Pharmacy shall comply with any such reasonable request. Nothing in this paragraph shall (i) limit the right of the State to disagree with the Settling Pharmacy as to the impossibility of compliance and to seek to enforce the Settlement Terms accordingly; or (ii) be deemed to relieve the Settling Pharmacy from following any subsequently enacted law that is more restrictive than the provisions of the Settlement Terms, or from following the Settlement Terms if they are more restrictive than applicable laws, to the extent the Settling Pharmacy can adhere to both the Settlement Terms and the provisions of local, state or federal law.

3. In the event that the State learns of any action, administrative or otherwise, to be commenced against the Settling Pharmacy, any of its retail pharmacies, or its pharmacy personnel as a result of the Settling Pharmacy's obligations under this Agreement—including but not limited to actions brought by State Boards of Medicine and Pharmacy or the State Department of Health—the State will make best efforts to intervene and seek dismissal or to otherwise assist in achieving resolution, including by certifying that the State's position is that the Settling Pharmacy should not be held liable for actions required by this Agreement.

4. The Settling Pharmacy shall retain all records it is required to create pursuant to its obligations hereunder in an electronic or otherwise easily accessible format for the term of this Agreement. Nothing in this Agreement shall waive any applicable privilege that may be asserted over any such record.

II. TERM AND SCOPE

A. The term of the Agreement shall be ten years from the Effective Date, unless otherwise specified herein.

B. The Settlement Terms shall apply to the Settling Pharmacy's operation of any retail pharmacy store within the State of New Mexico that dispense Controlled Substances to Patients.

III. DEFINITIONS

A. The term "Controlled Substances" means those substances designated under schedules II-V pursuant to the federal Controlled Substances Act and the laws and regulations of the State that incorporate the federal Controlled Substances Act.

B. The term "Designated Controlled Substances" shall include: (a) oxycodone; (b) hydrocodone; (c) hydromorphone; (d) oxymorphone; (e) morphine; (f) methadone; and (g) fentanyl.

C. The term "Prescriber" means any individual that has written a prescription, whether legally valid or not, that is presented to one of the Settling Pharmacy's retail pharmacy stores in the State of New Mexico.

D. The term “Patient” means any individual who receives a prescription for a Designated Controlled Substance from a Prescriber, whether legally valid or not, and attempts to fill it at one of the Settling Pharmacy’s retail pharmacy stores in the State of New Mexico.

IV. CONTROLLED SUBSTANCE COMPLIANCE PERSONNEL

A. The Settling Pharmacy shall designate a Chief Controlled Substance Compliance Officer, or other appropriately titled position, to be a member of the Controlled Substance Compliance Committee (described below in Section VI), and to oversee a Controlled Substance Compliance Department and the Settling Pharmacy’s compliance with these Settlement Terms. As used in this agreement, the terms “Controlled Substance Compliance Committee” and “Controlled Substance Compliance Department” refer to the entity or entities, however titled, that carry out the functions required by this Agreement. Notwithstanding the preceding sentence, to the extent an existing position, committee or department carries out the functions required by this Agreement, any other functions undertaken by such position, committee or department shall not be subject to this Agreement or oversight by the State pursuant to this Agreement. The position, committee and department discussed in this subsection and below may bear different names and need not be limited to the roles and functions set forth herein.

B. The Chief Controlled Substance Compliance Officer shall have knowledge of and experience with the laws and regulation of Controlled Substances.

C. The Chief Controlled Substance Compliance Officer shall provide at least quarterly reports to the Controlled Substance Compliance Committee (described below in Section VI) regarding the Settling Pharmacy’s compliance with these Settlement Terms, including the implementation of any changes to the CSCP Policies and Procedures required by these Settlement Terms.

D. Staffing levels of the Settling Pharmacy’s Controlled Substance Compliance Department shall be reviewed periodically, but at least on an annual basis, by the Settling Pharmacy’s Controlled Substance Compliance Committee, to assess whether such staffing levels are sufficient for the Controlled Substance Compliance Department to comply with this Agreement. This review shall include consideration of relevant developments in technology, law, and regulations.

E. Throughout the term of this Agreement, the Settling Pharmacy shall maintain a telephone and email hotline(s) (the “Hotline”) to permit employees and/or Patients to anonymously report suspected inappropriate or illegitimate dispensing, prescribing or diversion of Designated Controlled Substances, violations of the CSCP Policies and Procedures, these Settlement Terms, the Settling Pharmacy’s company policy, or other applicable law. The Settling Pharmacy shall publish its Hotline contact information to its employees and Patients in the State of New Mexico. The Settling Pharmacy shall maintain for the duration of this Agreement a record of each complaint made to the Hotline regarding Designated Controlled Substances and documentation regarding any investigation or response to such complaints. Nothing herein shall require the Settling Pharmacy to investigate a pharmacist’s professional judgment to refuse a prescription that the pharmacist believes was prescribed or is being used for other than a legitimate medical purpose or

that the pharmacist believes was not prescribed by an individual Prescriber acting in the usual course of his or her professional practice.

V. INDEPENDENCE

A. The Settling Pharmacy's Controlled Substance Compliance Department personnel, the pharmacy personnel who work at the Settling Pharmacy's retail pharmacies within the State of New Mexico, and field personnel who supervise such pharmacy personnel (together, "CSCP Employees") shall not be compensated in whole or in part by commissions, bonuses, incentives or any other monetary or non-pecuniary benefit that depends in any part on revenue or profitability targets or expectations specific to sales of Controlled Substances. Nothing in this Agreement shall be interpreted to prevent compensation of employees based on sales volume, revenue or profitability targets/expectations for enterprise-, store-, or pharmacy-wide sales.

B. No CSCP Employees may be terminated, suspended, threatened with or face any other negative employment consequence for failing to meet any revenue or profitability targets/expectations specific to sales of Controlled Substances.

C. To the extent necessary to comply with this section, the Settling Pharmacy's Controlled Substance Compliance Committee shall review, modify, and implement any changes to any compensation and non-retaliation policies specific to the sale or dispensing of Designated Controlled Substances.

VI. OVERSIGHT

A. To the extent not already established, within ninety (90) business days of the Effective Date, the Settling Pharmacy shall establish a compliance committee, however titled, that includes representatives from its respective legal, compliance, pharmacy operations, and asset protection departments, however named, to provide oversight over the CSCP and its compliance with the Settlement Terms. For the purposes of reference herein, this committee, however named, shall be referred to as the "Controlled Substance Compliance Committee." The Settling Pharmacy shall maintain its Controlled Substance Compliance Committee for the duration of the term of the Settlement Terms. The Chief Controlled Substance Compliance Officer of the Settling Pharmacy shall be a member of the Controlled Substance Compliance Committee.

B. The Settling Pharmacy's Controlled Substance Compliance Committee shall have regular meetings during which the Chief Controlled Substance Compliance Officer shall report on, and the Controlled Substance Compliance Committee shall review, among other things, (a) the Prescription Validation Process, including the CSCP Policies and Procedures on identifying and resolving Patient, Prescriber and Prescription Red Flags; (b) the training required under this Agreement; (c) proactive due diligence and site visits; (d) the Prescriber Review Processes; (e) significant new national and regional diversion trends involving Controlled Substances; (f) the Settling Pharmacy's adherence to this Agreement and applicable laws and regulations; and (g) any technology, staffing, or other resource needs for the CSCP. The Controlled Substance Compliance Committee shall have access to all CSCP reports described in the following subsection.

C. On an annual basis, the Settling Pharmacy's Controlled Substance Compliance Committee shall provide a written report to the President of Walmart, Chief Financial Officer of

Walmart, Chief Legal Officer of Walmart, and the Walmart Chief Compliance Officer, as well as the Walmart Health Compliance Committee (however such positions or committees are named at the time), outlining(a) the Settling Pharmacy's adherence to, and any deviations from, the Settlement Terms; (b) the allocation of resources sufficient to comply with this Agreement; and (c) any revisions to the CSCP that the Controlled Substance Compliance Committee has approved. The Compliance Committee shall document in its minutes its review of the annual Controlled Substance Compliance Committee reports.

D. The Settling Pharmacy, through its Controlled Substance Compliance Department and Committee, shall, at least once every year, review and oversee any enhancements to the CSCP Policies and Procedures and systems for dispensing activity that the Controlled Substance Compliance Committee deems necessary.

E. The Settling Pharmacy's Controlled Substance Compliance Committee shall be responsible for the approval of all material revisions to the CSCP Policies and Procedures, provided that nothing herein shall prevent the Settling Pharmacy from implementing changes to the CSCP Policies and Procedures pending such review and approval.

VII. MANDATORY TRAINING

A. The CSCP Policies and Procedures shall be published in a form and location readily accessible to all pharmacy and compliance personnel at each of the Settling Pharmacy's retail pharmacy stores in the State of New Mexico. Online availability is sufficient, so long as pharmacy and compliance personnel have access to a computer with access to the CSCP Policies and Procedures.

B. Within 90 days of entering into these Settlement Terms, to the extent not already in place, the Settling Pharmacy shall implement policies and procedures requiring all CSCP Employees to complete trainings on the CSCP Policies and Procedures required under this Agreement, including with respect to the Prescription Validation Process and their corresponding responsibility.

C. On an annual basis for the duration of the Agreement, the Settling Pharmacy shall test its CSCP Employees, and any contractors serving as pharmacists or pharmacy technicians in its retail pharmacies in the State of New Mexico, on their knowledge regarding the CSCP Policies and Procedures required under this Agreement, including with respect to the Prescription Validation Process and their corresponding responsibility.

D. It shall be a part of the CSCP Policies and Procedures and all trainings of all CSCP Employees required under these Settlement Terms that pharmacists shall refuse to dispense Controlled Substances that they believe were prescribed or are being used for other than a legitimate medical purpose or that they believe were not prescribed by an individual Prescriber acting in the usual course of his or her professional practice.

E. All trainings required under these Settlement Terms shall also make clear that pharmacists will not be penalized in any way for refusing to fill prescriptions for Controlled Substances pursuant to their corresponding responsibility.

VIII. THE PRESCRIPTION VALIDATION PROCESS

A. As part of its CSCP, to the extent not already in place, the Settling Pharmacy shall have a Prescription Validation Process in the CSCP Policies and Procedures, as further described and set forth in this section, that each pharmacist employed by the Settling Pharmacy at a retail pharmacy in the State of New Mexico is directed to follow when dispensing a prescription for a Controlled Substance.

B. The Settling Pharmacy's CSCP Policies and Procedures shall provide that a Red Flag will be considered "resolved" if, after further investigation as described below, and given other facts and circumstances surrounding the prescription, a pharmacist determines, in his or her professional judgment, that the facts that triggered the Red Flag do not lead him or her to believe that the prescription was written or is being submitted for an illegitimate medical purpose or outside the usual course of a Prescriber's professional practice.

C. The Settling Pharmacy's CSCP Policies and Procedures shall provide that if a pharmacist identifies any "Patient Red Flags" associated with a Controlled Substance prescription (described in Section IX(1) below), before filling the prescription the pharmacist must resolve them; and that the method of resolution falls within the judgment of the pharmacist and may include reviewing the Patient's profile and history with the Settling Pharmacy, calling the Prescriber or Prescribers if appropriate, speaking with the Patient if appropriate, calling on the pharmacist's pre-existing knowledge of the Patient or Prescriber, reviewing available PDMP data, and/or reviewing other data or information available to the pharmacist.

D. The Settling Pharmacy's CSCP Policies and Procedures shall provide that, except as allowed by New Mexico law, a pharmacist may only fill a Controlled Substance prescription electronically transmitted by a Prescriber for such drugs; that if the pharmacist identifies any other "Prescription Red Flags" (described in Section IX(2) below), the pharmacist must resolve them; and that the method of resolution falls within the judgment of the pharmacist and may include reviewing the Patient's profile and history with the Settling Pharmacy, calling the Prescriber or Prescribers if appropriate, speaking with the Patient if appropriate, calling on the pharmacist's pre-existing knowledge of the Patient or Prescriber, reviewing available PDMP data, and/or reviewing other data or information available to the pharmacist.

E. The Settling Pharmacy must put in place, to the extent not already in place, systems at its retail pharmacies in the State of New Mexico to check the licensure status of a Prescriber of Controlled Substances through a regularly updated prescriber database, to the extent such information is reasonably available for such purposes. The dispensing system shall block a Controlled Substance prescription from being filled if the prescriber database check reflects a DEA registration or state license that has been suspended. CSCP Policies and Procedures shall require that if a pharmacist identifies any Prescriber Red Flags, the pharmacist must resolve them, and that the method of resolution falls within the judgment of the pharmacist and may include reviewing the Settling Pharmacy's records regarding the Prescriber, calling the Prescriber if appropriate, speaking with the Patient if appropriate, calling on the pharmacist's pre-existing knowledge of the Patient or the Prescriber, reviewing available PDMP data, and/or reviewing other data or information available to the pharmacist .

F. The Settling Pharmacy's CSCP Policies and Procedures shall provide that the resolution of all Red Flags identified by the pharmacist must be documented. Any such records shall be maintained for the duration of this Agreement.

G. The Settling Pharmacy's CSCP Policies and Procedures shall provide that, even if all Red Flags are resolved, a pharmacist shall reject a prescription if, in his or her professional judgment, he or she believes that it was written or is being submitted for other than a legitimate medical purpose and/or was written outside the usual course of an individual Prescriber's professional practice.

IX. RED FLAGS

A. Notwithstanding any other potential Red Flags that the Settling Pharmacy may identify in its CSCP Policies and Procedures, the Settling Pharmacy shall identify in its CSCP Policies and Procedures the following potential "Patient Red Flags":

1. A Patient seeks to fill a Designated Controlled Substance prescription more than three days prior to the contemplated exhaustion date of an earlier prescription of the same Designated Controlled Substance;

2. A Patient seeks to fill Designated Controlled Substance prescriptions from more than four Prescribers, from separate practices, in a given 6-month period;

3. A Patient resides more than 50 miles from the Settling Pharmacy's retail pharmacy where the Designated Controlled Substance prescription is submitted;

B. Notwithstanding any other potential Red Flags that the Settling Pharmacy may identify in its CSCP Policies and Procedures, with respect to any Controlled Substance prescriptions, the Settling Pharmacy shall identify in its CSCP Policies and Procedures the following potential "Prescription Red Flags:"

1. A prescription that fails to meet the requirements of law, e.g. NM Stat. § 26-1-16.

2. A prescription that appears altered;

3. A prescription written with misspellings suggesting the prescription may not have been written by a Prescriber; A prescription using atypical abbreviations suggesting the prescription may not have been written by a Prescriber; and

4. A prescription written with multiple colors of ink or in multiple different handwritings.

C. Notwithstanding any other potential Red Flags that the Settling Pharmacy may identify in its CSCP Policies and Procedures, with respect to any Prescriber of Controlled Substances, the Settling Pharmacy shall identify in their CSCP Policies and Procedures the following potential "Prescriber Red Flags:"

1. A Prescriber provides a Patient with prescriptions for a Designated Controlled Substance, a benzodiazepine, and carisoprodol; and

2. A Prescriber has no office within 50 miles of the retail pharmacy store.

X. PRESCRIBER REVIEW

A. To the extent not already in place, the Settling Pharmacy shall develop a process by which it regularly reviews the prescribing patterns and practices of Prescribers of Designated Controlled Substances (the “Prescriber Review Process”). The Prescriber Review Process shall employ algorithms, or other means, to review the Settling Pharmacy’s retail dispensing data for potential Prescribers of concern. Once the Settling Pharmacy identifies through its process a Prescriber for further investigation, the review of a Prescriber shall include review of his or her prescribing as contained in the Settling Pharmacy’s data and available licensing and disciplinary history. It may also include internet searches, interviews and other information gathered in the discretion of the employees operating the Prescriber Review Process.

B. If after the Prescriber Review Process the Settling Pharmacy has not resolved its concerns of illegitimate prescribing, then Controlled Substance prescriptions written by the Prescriber shall be blocked from being filled by the Settling Pharmacy’s retail pharmacies in the State of New Mexico, with an opportunity at the discretion of the Settling Pharmacy for the prescriber to seek future reinstatement by providing information to the Settling Pharmacy that may resolve its concerns. This block shall be on top of and in addition to any block based on a Prescriber’s licensure. The Settling Pharmacy shall provide the names of the doctors whose prescriptions it has blocked to the State Board of Medicine.

XI. PROACTIVE DUE DILIGENCE AND SITE VISITS

A. During the term of this Agreement, the Settling Pharmacy shall conduct periodic proactive compliance reviews of its retail pharmacy stores in the State of New Mexico to assist with the identification of potential compliance issues related to the dispensing of Designated Controlled Substances at its retail pharmacy stores in the State of New Mexico. This may be satisfied by the use of algorithms, or other electronic means, to analyze data associated with each pharmacy to identify particular pharmacies for review. Documentation of any resulting reviews shall be maintained by the Settling Pharmacy and made accessible to all Controlled Substance Compliance Department personnel upon request for the duration of the Agreement.

B. During the term of this Agreement, the Settling Pharmacy’s field personnel shall also conduct site visits to each of its retail pharmacy stores in the State of New Mexico each year for the duration of the Agreement. Operating procedures shall specify that any concerns identified with the dispensing of Designated Controlled Substances shall be reported to the Controlled Substance Compliance Department. The Controlled Substance Compliance Department shall maintain documentation of any such reported concerns.

C. During the term of this Agreement, to the extent not already in place, the Settling Pharmacy shall put in place processes to oversee inventory, recording keeping and theft and loss prevention controls at its retail pharmacy stores in the State of New Mexico.

D. The CSCP Policies and Procedures shall require that site visit reports, if any, related to the dispensing of Designated Controlled Substances shall be maintained by the Settling Pharmacy and made accessible to all Controlled Substance Compliance Department personnel upon request for the duration of the Agreement.

XII. CONTROLLED SUBSTANCE DISPOSAL

A. The Settling Pharmacy's retail pharmacies in the State of New Mexico shall make available or display information to all Patients receiving a Designated Controlled Substance about the need to dispose and the proper disposal of unneeded Controlled Substances and the availability of disposal boxes, pouches or containers for purchase from the Settling Pharmacy, or other products commercially manufactured to allow for the safe disposal of Controlled Substances and medications at home.

B. At each of its retail pharmacies in the State of New Mexico, the Settling Pharmacy shall make available to Patients at its actual cost (per generally accepted accounting principles) a pouch or other container or product commercially manufactured to allow for the safe disposal of Controlled Substances and medications at home. The Settling Pharmacy shall maintain sufficient written documentation supporting its actual cost for the duration of this Agreement.

XIII. NALOXONE DISPENSING

A. To the extent not already in place, the Settling Pharmacy agrees to obtain a non-patient-specific standing order covering each of its retail pharmacies in the State of New Mexico allowing for the dispensing of naloxone or other overdose reversal medications to the fullest extent allowable under New Mexico law.

B. To the extent that the State of New Mexico obtains or enters into an agreement with a manufacturer of naloxone or other overdose reversal medication to provide naloxone or an overdose reversal medication to the State for free or at cost, the Settling Pharmacy agrees to dispense that naloxone or other overdose reversal medication at its actual cost for dispensing that naloxone or other overdose reversal medication (time and expense). Upon request by the State to dispense such medication, in the course of arranging logistics with the State, the Settling Pharmacy shall provide the State with its calculation of the actual cost to dispense.

XIV. FRAUD, THEFT AND LOSS PREVENTION

In addition to complying with all fraud, theft and loss procedures, policies and precautions required by state and federal law, the Settling Pharmacy shall maintain information regarding the receipt and disposition of inventory of all Designated Controlled Substances for each retail pharmacy in the State of New Mexico.

XV. REPORTING TO LAW ENFORCEMENT

To the extent not already in place, the Settling Pharmacy shall implement standard operating procedures directing its employees to report any confirmed forged prescriptions to state or local law enforcement authorities within 7 days of completing any review of such prescription or conduct. The State shall provide appropriate contact information for such reports. The Settling

Pharmacy shall comply with all statutes and regulations requiring the reporting of thefts and losses of Controlled Substances.

XVI. ENFORCEMENT OF SETTLEMENT TERMS

A. Notice of Potential Violations and Opportunity to Cure.

1. A “Potential Violation” occurs when the State determines, after appropriate investigation and due diligence, that the Settling Pharmacy is not in substantial compliance with a material aspect of the Settlement Terms. A Potential Violation may be for a single retail pharmacy. A violation of this Agreement does not occur when a pharmacist or other pharmacy personnel employed by the Settling Pharmacy violates the Settling Pharmacy’s CSCP Policies and Procedures or the law.

2. Potential Violation Discovered by State.

a. In the event of a Potential Violation identified by the State, the State shall notify the Settling Pharmacy in writing (the “State’s Notice”).

b. Within thirty (30) days of receipt of the State’s Notice, the Settling Pharmacy shall provide a written response to the State. The response shall include the Settling Pharmacy’s position as to the act(s) of non-compliance with these Settlement Terms, including, possibly, a statement setting forth why the Settling Pharmacy believes it is in substantial compliance with the relevant provision(s) or a statement explaining how the Potential Violation has been addressed.

c. If the State wishes to meet with the Settling Pharmacy, the Settling Pharmacy shall promptly make itself available for such a meeting.

3. If, after review of a written response and any meeting, the State believes that a Potential Violation is ongoing or has not been substantially addressed, it will provide written notice to the Settling Pharmacy and work in conjunction with the Settling Pharmacy to devise, within thirty (30) days, a corrective action plan (“Corrective Action Plan”) to remedy such Potential Violation, including a reasonable period for implementation of such plan.

4. Within 60 and 120 days after implementing the Corrective Action Plan, the Settling Pharmacy will provide a written compliance update to the State and make itself available to meet with the State if requested. If after reviewing the compliance update and any meeting, the State believes a Potential Violation remains ongoing or has not been substantially addressed, the State may commence a 30-day mediation period. If mediation fails to resolve the dispute between the parties, the State may take whatever action it deems necessary, including but not limited to bringing an action to enforce the settlement agreement, filing a new action (administrative or civil action) for violation of the settlement agreement as allowed by New Mexico law, conducting further investigation, or attempting to negotiate an updated Corrective Action Plan with the Settling Pharmacy. But the State may not seek to reinstate claims that have been released as part of this settlement.

5. If the Settling Pharmacy fails or refuses to provide a written response, to devise or implement a Corrective Action Plan or to provide a compliance update as required by subsections A(2), A(3) and/or A(4), the State may bring an action to enforce the settlement agreement, file a new action (administrative or civil action) for violation of the settlement agreement as allowed by New Mexico law, conduct further investigation, or attempt to negotiate an updated Corrective Action Plan with the Settling Pharmacy. But the State may not seek to reinstate claims that have been released as part of this settlement.

6. If, after review of a written response and any meeting, pursuant to subsection A(2) or A(3), above, the State concludes that a Potential Violation is not ongoing or has been substantially addressed, the State will provide written notice of this conclusion to the Settling Pharmacy within 30 days of reaching its conclusion.

B. Enforcement Action. The State agrees that prior to taking any court or administrative action, other than an action that the State concludes is necessary to address an immediate threat to the health, safety, or welfare of the citizens of the State, or that a public emergency requiring immediate action exists, it will follow the process outlined above. If the State concludes that action is necessary to address an immediate threat to the health, safety, or welfare of the citizens of the State or that a public emergency requiring immediate action exists, it will make best efforts to provide reasonable notice to the Settling Pharmacy prior to initiating any such action.

XVII. COMPLIANCE CERTIFICATION

A. The Settling Pharmacy's Chief Controlled Substance Compliance Officer shall, after diligent inquiry, complete an annual compliance certification.

B. The certification shall be filed annually for the duration of this Agreement with the New Mexico Department of Health, the New Mexico Regulation and Licensing Department, and the New Mexico Office of Attorney General.

C. The certification shall state:

"I understand the compliance requirements and responsibilities as they relate to [insert name of department], an area under my supervision. My job responsibilities include promoting compliance with regard to the [insert name of department] with all applicable statutory requirements, obligations of the Agreement, and applicable policies, and I have taken steps to promote such compliance. To the best of my knowledge, the [insert name of department] is in compliance with the obligations of the Agreement. I understand that this certification is being provided to and relied upon by the State of New Mexico."

D. If the Chief Controlled Substance Compliance Officer is unable to provide such a certification, he or she shall provide a written explanation of the reasons why he or she is unable to provide the certification outlined above.

E. Upon written demand by the New Mexico Department of Health, the New Mexico Regulation and Licensing Department, or the New Mexico Office of Attorney General, the Settling

Pharmacy shall provide to the requesting agency within a reasonable time after request the below materials. The State of New Mexico, through its agencies and departments, including without limitation the New Mexico Department of Health, has preexisting access to certain records maintained by Walmart retail pharmacies in the State of New Mexico and to certain data on their Controlled Substances dispensing. This provision is in addition to, and not in place of, that access.

1. Any specific, non-privileged documents reviewed by the Chief Controlled Substance Compliance Officer solely to make his/her certification, not including documents reviewed in the course of his/her duties throughout the year that provide him/her with relevant knowledge;

2. The current versions of the CSCP Policies and Procedures that are required by this Agreement;

3. The names of New Mexico prescribers of Designated Controlled Substances whose prescriptions the Settling Pharmacy has blocked as part of its Prescriber Review Process; or

4. With regard to a particular retail pharmacy store in the State of New Mexico identified by the State, any non-privileged reports related to that pharmacy store prepared pursuant to the processes outlined in Section XI.A.

F. Nothing in this Paragraph shall limit the State's authority to subpoena other records.

G. Nothing in this Agreement shall be interpreted to abrogate the Settling Pharmacy's applicable privileges or protections from disclosure, including without limitation those related to the attorney-client privilege, the attorney work product doctrine, and the patient-safety work product privilege. Nothing in this Agreement shall require the Settling Pharmacy to provide or produce any such privileged or protected materials.

H. To the extent that the above records contain personal health information of patients, the personal health information of patients shall be redacted and the presence of personal health information shall not be a reason to not produce any category of documents. To the extent that city, state, or zip code related information is contained within the above records and does not constitute personal health information of patients, the Settling Pharmacy shall provide such information upon written request.

XVIII. RECORDKEEPING

The Settling Pharmacy shall retain records it is required to create pursuant to its obligations hereunder in an electronic or otherwise readily accessible format. In addition to the prescription data regularly provided to the State of New Mexico through its prescription drug monitoring program and all of the other records to which the State of New Mexico has access under its pharmacy regulations, including without limitation through its on-site inspections of retail pharmacies, the State of New Mexico shall have the right to review the CSCP Policies and Procedures discussed herein. Nothing in these terms shall prohibit the State of New Mexico from issuing a lawful subpoena for records pursuant to an applicable law.

XIX. MOST FAVORED NATION

A. To the extent the Settling Pharmacy enters a global settlement resolving substantially all claims against it brought by states, counties, and/or municipalities nationwide that contains additional injunctive relief provisions, the State of New Mexico shall have the right to obtain the benefit of those provisions under the terms set forth in any such global settlement.

B. To the extent that the Settling Pharmacy agrees to take part in the Clearinghouse described in the Distributor Settlement Agreement as part of any global settlement as defined above, the Settling Pharmacy agrees to provide data and otherwise take part in the Clearinghouse with respect to New Mexico retail pharmacies at no reduction to any settlement amount under this Agreement.

XX. CHANGES AND MODIFICATIONS

A. This Agreement may be amended or modified with the written consent of the Parties.

B. Nothing in this Agreement shall be construed to prohibit the Settling Pharmacy from implementing improvements or enhancements or from otherwise evolving its systems and practices.

**State of New Mexico – Walmart Opioid Settlement
Local Government Allocation**

New Mexico - Walmart Opioid Settlement Local Government Allocation	
State Abatement Amount	\$46,440,000.00
Gross Local Government Abatement Amount - Before MDL Assessment	\$56,760,000.00
Gross 7.5% National MDL Assessment¹	\$3,870,000.00
<i>State Outside Counsel Local Government Fees Applied to MDL Assessment²</i>	<i>\$3,769,843.21</i>
<i>Final Net MDL Assessment</i>	<i>\$100,156.79</i>
Local Government Abatement Amount - After MDL Assessment	\$52,890,000.00
15% Local Government Attorneys Fees - Before State Counsel Fee Waiver	\$7,933,500.00
<i>State Outside Counsel Local Government Fees Applied to MDL Assessment</i>	<i>\$3,769,843.21</i>
<i>Local Government Attorneys Fees After State Outside Counsel Fee Waiver</i>	<i>\$4,163,656.79</i>
Local Government Abatement Amount Net of MDL Assessment & Fees	\$44,956,500.00

Local Government	100.00% Allocation	\$ 44,956,500.00 Final Net Payment
Bernalillo County	18.6169292699%	\$8,369,519.81
Albuquerque City	22.7540246633%	\$10,229,413.10
Catron County	0.1129940051%	\$50,798.15
Chaves County	2.5358877708%	\$1,140,046.39
Roswell city		
Cibola County	0.7723148257%	\$347,205.71
Colfax County	0.7448541610%	\$334,860.36
Curry County	1.4056466248%	\$631,929.52
Clovis city		
De Baca County	0.0650725663%	\$29,254.35
Dona Ana County	4.1009817203%	\$1,843,657.85
Las Cruces city	2.7789710876%	\$1,249,328.14
Sunland Park city	0.2012417097%	\$90,471.23
Eddy County	2.5979985848%	\$1,167,969.23
Artesia city		
Carlsbad city		
Grant County	1.8057321396%	\$811,793.97
Guadalupe County	0.1869187026%	\$84,032.11

¹ [State Abatement Amount] + [Gross Local Government Abatement Before MDL Assessment] divided by 2; then multiplied by 7.5%.

² The State’s outside counsel, who also represents certain New Mexico Local Governments in the opioid litigation, agreed to waive their fee for representing New Mexico Local Governments for the Albertsons, CVS, Kroger, and Walmart settlements and to direct these funds to offset ~97.4% of the National MDL Assessment.

**State of New Mexico – Walmart Opioid Settlement
Local Government Allocation**

Harding County	0.0102668257%	\$4,615.61
Hidalgo County	0.1965507765%	\$88,362.35
Lea County	1.3193643533%	\$593,140.04
Hobbs city	0.5477699843%	\$246,258.21
Lovington city	0.1729179347%	\$77,737.85
Lincoln County	1.2208675842%	\$548,859.34
Los Alamos County	0.5915454490%	\$265,938.13
Luna County	0.5889582326%	\$264,775.01
Deming city	0.2484870948%	\$111,711.10
McKinley County	1.0214669791%	\$459,215.80
Gallup city	0.7722895935%	\$347,194.37
Mora County	0.1903934157%	\$85,594.22
Otero County	1.6062640137%	\$722,120.08
Alamogordo city	0.9683526415%	\$435,337.46
Quay County	0.4733520608%	\$212,802.52
Rio Arriba County	3.5113726662%	\$1,578,590.25
Española city	1.0869232439%	\$488,642.65
Roosevelt County	0.3148139409%	\$141,529.33
Portales city	0.2248670805%	\$101,092.37
San Juan County	2.4064498445%	\$1,081,855.62
Farmington city	1.4120396740%	\$634,803.62
San Miguel County	0.7151901194%	\$321,524.45
Las Vegas city	0.9509305850%	\$427,505.11
Sandoval County	1.9253935060%	\$865,589.53
Bernalillo town	0.2863480762%	\$128,732.07
Rio Rancho city	2.3456255907%	\$1,054,511.17
Santa Fe County	3.5143193357%	\$1,579,914.97
Santa Fe City	4.5408953413%	\$2,041,427.61
Sierra County	1.0308488455%	\$463,433.56
Socorro County	0.7363065077%	\$331,017.64
Taos County	1.7429125688%	\$783,552.49
Torrance County	0.7071523256%	\$317,910.94
Union County	0.1108929666%	\$49,853.60
Valencia County	2.7716079380%	\$1,246,017.92
Los Lunas village	1.0566950725%	\$475,053.12












23-0066 Walmart, Inc. CAO GB


Final Audit Report

2023-02-28


Created:	2023-02-28
By:	Xavier Vigil (xivigil@ci.santa-fe.nm.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAArbQAISgf69WzyS23FC83ei0qLrKWsJQJ

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 Agreement completed.

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