

STATE OF NORTH CAROLINA  
WAKE COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
No. 26CV019527-910

STATE OF NORTH CAROLINA ex rel. JEFF )  
JACKSON, ATTORNEY GENERAL, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
ALVOGEN, INC.; AMNEAL )  
PHARMACEUTICALS LLC; APOTEX )  
CORP.; HIKMA PHARMACEUTICALS )  
USA INC. F/K/A WEST-WARD )  
PHARMACEUTICALS CORP.; INDIVIOR )  
INC.; MYLAN INC.; SUN )  
PHARMACEUTICAL INDUSTRIES, INC. ; )  
ZYDUS PHARMACEUTICALS (USA) INC., )  
 )  
Defendants. )

**FINAL CONSENT JUDGMENT AND DISMISSAL WITH PREJUDICE**

Plaintiff, the State of North Carolina (“*State*”), and Zydus Pharmaceuticals (USA) Inc. (“*Zydus*”) (together with the State, the “*Parties*,” and each a “*Party*”) have entered into a consensual resolution of the above-captioned litigation (the “*Action*”) pursuant to a settlement agreement dated as of April 4, 2025 (as subsequently updated) (the “*Agreement*”), a copy of which is attached hereto as Exhibit A. This Final Consent Judgment (the “*Consent Judgment*”) approving the Agreement is entered by the Court without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

**RECITALS:**

1. Each Party warrants and represents that it engaged in arm’s-length negotiations in good faith. In hereby executing the Agreement, the Parties intend to effect a good-faith settlement.

2. The State, acting through its Attorney General, Jeff Jackson, has determined that the Agreement and entry of this Consent Judgment is in the public interest.

3. Zydus is entering into this Consent Judgment solely for the purpose of settlement. Nothing contained in the Agreement or the Consent Judgment may be taken as or construed to be (1) an admission or concession of any violation of law, rule, regulation, or ordinance, or of any other matter of fact or law, or of any fault, liability, or wrongdoing, all of which Zydus denies, or (2) a waiver or any limitation of any defense otherwise available to Zydus. Zydus denies the allegations against it and denies that it has any liability whatsoever.

4. The Parties recognize that the outcome of the Action would be uncertain and a final resolution through the adversarial process likely would require protracted litigation.

5. The Parties agree to the entry of the injunctive relief terms attached as Exhibit P to the Agreement.

6. Therefore, without any admission of liability or wrongdoing by Zydus or any other Released Entities (as defined in the Agreement), and without this Consent Judgment constituting evidence against or admission by anyone with respect to any issue of fact or law, the Parties now mutually consent to the entry of this Consent Judgment and agree to dismissal of the claims with prejudice pursuant to the terms of the Agreement to avoid the delay, expense, inconvenience, and uncertainty of protracted litigation.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

In consideration of the mutual promises, terms, and conditions set forth in the Agreement, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and between Zydus and the State, and adjudicated by the Court, as follows:

1. The foregoing Recitals are incorporated herein and constitute an express term of this Consent Judgment.

2. The Parties have entered into a full and final settlement of all Released Claims of Releasers (including but not limited to the State) against Zydus and the Released Entities pursuant to the terms and conditions set forth in the Agreement. This Consent Judgment summarizes and approves those terms. In the event of a conflict between the terms of the Agreement (including its exhibits) and language in this Consent Judgment, the terms of the Agreement shall govern. Nothing in this Consent Judgment shall have the effect of expanding, diminishing, explaining, or otherwise modifying any term of the Agreement.

3. The “Definitions” set forth in Section I of the Agreement are incorporated by reference into this Consent Judgment. The State is a “Settling State” within the meaning of the Agreement. Unless otherwise defined herein, capitalized terms in this Consent Judgment shall have the same meaning given to them in the Agreement.

4. The Parties agree that the Court has jurisdiction over the subject matter of the Action and over the Parties with respect to the Action and this Consent Judgment. This Consent Judgment shall not constitute and shall not be construed or used as a waiver of any jurisdictional defense Zydus or any other Released Entity may raise in any other proceeding.

5. The Court finds that the Agreement was entered into in good faith and is in the public interest, and that entry of this Consent Judgment is in the public interest. By this Consent Judgment, the Agreement is hereby approved by the Court.

6. The State’s Claims against Zydus are hereby DISMISSED WITH PREJUDICE, subject to a retention of jurisdiction by the Court as provided herein and in the Agreement.

7. The Court shall have authority to resolve disputes identified in Section VII.F.2 of the Agreement, governed by the rules and procedures of the Court.

8. By this Consent Judgment, the “Third Supplemental Agreement for Additional Funds” (the “SAAF-3”), a copy of which is attached hereto as Exhibit B and as incorporated into the Agreement pursuant to Exhibit O of the Agreement, is hereby approved by the Court as the means by which relevant funds paid pursuant to the Agreement will be allocated, used, and accounted for within the State, provided that any Subdivision receiving such funds has executed a Subdivision Participation Form accepting the terms of the Agreement, including the releases provided therein. A municipality exercising its option under the SAAF-3 to transfer all its settlement funds during a particular period to the county or counties in which it is located has no further obligations under the SAAF-3 during that period.

9. The Parties have satisfied the Condition to Effectiveness of Agreement set forth in Section IX of the Agreement and the Release set forth in Section XI of the Agreement, as follows:

- a. The Attorney General of the State exercised the fullest extent of his powers to release Zydus and all other Released Entities from all Released Claims pursuant to the release attached hereto as Exhibit C (the “AG Release”).
- b. Zydus has determined to proceed with the Agreement.
- c. The Subdivision Participation Form for each Participating Subdivision in the State that has joined to date has been made available to Zydus. As stated in the Subdivision Participation Form, and for the avoidance of doubt, nothing in the Subdivision Participation Form executed by the Participating Subdivisions is intended to modify in any way the terms of the Agreement to which the Participating Subdivisions agree. As stated in the Subdivision Participation Form, to the extent the terms of the executed version of the Subdivision Participation Form differ from the terms of the Agreement in any respect, the terms of the Agreement controls.
- d. Pursuant to Section VIII.C of the Agreement and Paragraph 2 of the Subdivision Participation Form, each Litigating Subdivision in the State that has become a Participating Subdivision is dismissing with prejudice any Released Claims that it has filed against Zydus or any of the Released Entities.

10. Release. The Parties acknowledge, and the court finds, that the release provisions in Section XI of the Agreement and the AG Release, which are incorporated by reference as if

fully set forth herein, are an integral part of the Agreement and this Consent Judgment, and shall govern the rights and obligations of all participants in the settlement, including without limitation the State, Releasors, Zydus, and the Released Entities. Pursuant to the Agreement and the AG Release and without limitation and to the maximum extent of the power of the State's Attorney General, Zydus and the other Released Entities are, as of the Effective Date, hereby released and forever discharged from any and all Released Claims of the State and its Releasors.

11. Release of Unknown Claims. The State (for itself and its Releasors) 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 the State (for itself and its Releasors) expressly waived and fully, finally, and forever settled, released and discharged, through the Agreement and AG Release, any and all Released Claims that may exist as of the Effective 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 have materially affected the State's decision to enter into the Agreement.

12. The Court finds that the releases are given in good faith and are effective as to all Releasors and Released Entities.

13. Costs and Fees. The Parties will bear their own costs and attorneys' fees except as otherwise provided in the Agreement.

14. No Admission of Liability. Zydus is consenting to this Consent Judgment solely for the purpose of effectuating the Agreement, and nothing contained herein may be taken as or construed to be (1) an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Zydus expressly denies, or (2) a waiver or any limitation of any defense otherwise available to Zydus. Neither Zydus nor any other Released Entity admits that it caused or contributed to any public nuisance, and neither Zydus nor any other Released Entity admits any wrongdoing that was or could have been alleged by the State, its Participating Subdivisions, or any other person or entity. No part of this Consent Judgment shall constitute evidence of any liability, fault, or wrongdoing by Zydus or any other Released Entity. The Parties acknowledge that payments made under the Agreement are not a fine, penalty, or payment in lieu thereof and are properly characterized as described in Section VI.F of the Agreement.

15. No Waiver. This Consent Judgment is entered based on the Agreement without trial or adjudication of any contested issue of fact or law or finding of liability of any kind. This Consent Judgment shall not be construed or used as a waiver of Zydus's right, or any other Released Entity's right, to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, private entity, or class claims or suits relating to the subject matter or terms of this Consent Judgment. Notwithstanding the foregoing, the State may enforce the terms of this Consent Judgment as expressly provided in the Agreement.

16. No Private Right of Action. This Consent Judgment is not for use by any third party for any purpose, including submission to any court for any purpose, except Participating

Subdivisions for the limited purposes set forth in Section VII.A of the Agreement. Except as expressly provided in the Agreement, no portion of the Agreement or this Consent Judgment shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State or Released Entity. The State shall allow Participating Subdivisions in the State to notify it of any perceived violations of the Agreement or this Consent Judgment. No Settling State, including the State, may assign or otherwise convey any right to enforce any provision of the Agreement.

17. Admissibility. This Consent Judgment shall not be admissible in any other case against Zydus or any other Released Entity. This Consent Judgment shall not be binding on Zydus or any other Released Entity in any respect other than in connection with the enforcement of this Consent Judgment or the Agreement in the State. For the avoidance of doubt, nothing herein shall prohibit Zydus or any other Released Entity from entering this Consent Judgment or the Agreement into evidence in any litigation or arbitration concerning (1) Zydus's right to coverage under an insurance contract or (2) the enforcement of the releases provided for by the Agreement and this Consent Judgment.

18. Preservation of Privilege. Nothing contained in the Agreement or this Consent Judgment, and no act required to be performed pursuant to the Agreement or this Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, patient-safety work product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

19. Construction. The Parties agree and stipulate that neither Party shall be considered the drafter of the Agreement or any of its provisions, and therefore the Agreement shall not be construed in favor of or against any Party.

20. Retention of Jurisdiction. The Court shall retain jurisdiction over the Parties for the limited purpose of the resolution of disputes identified in Section VII.F.2 of the Agreement. The Court shall have jurisdiction over Participating Subdivisions in the State for the limited purposes identified in the Agreement.

21. Successors and Assigns. This Consent Judgment is binding upon, and shall inure to the benefit of, Zydus's successors and assigns.

22. Modification. This Consent Judgment shall not be modified (by the Court, by any other court, or by any other means) without the consent of the State and Zydus. Modification of the Agreement shall be governed by Section XIII.U of the Agreement.

**SO ORDERED 6/1/2026**

6/1/2026 3:22:17 PM  


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Hon. Sean Cole  
SUPERIOR COURT JUDGE

**Consented and agreed to by Plaintiff, the State of North Carolina, by and through its Attorney General, Jeff Jackson:**

/s/ Daniel P. Mosteller  
DANIEL P. MOSTELLER  
N.C. State Bar No. 36958  
Associate Deputy Attorney General

Date: May 22, 2026

North Carolina Department of Justice  
Post Office Box 629  
Raleigh, North Carolina 27602  
919-716-6000  
dmosteller@ncdoj.gov

**Consented and agreed to by Defendant, Zydus Pharmaceuticals (USA) Inc.:**

*/s/ Joseph F. Miller* \_\_\_\_\_

Date: May 22, 2026

Joseph F. Miller

N.C. State Bar No. 24936

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