

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

IN RE: GENERIC PHARMACEUTICALS
PRICING ANTITRUST LITIGATION

MDL NO. 2724

16-MD-2724

THIS DOCUMENT RELATES TO:

HON. CYNTHIA M. RUFE

All End Payer Plaintiffs' Actions

PROPOSED PLAN OF ALLOCATION FOR THE EPP SANDOZ SETTLEMENT

End-Payer Plaintiffs (“EPPs”) submit this proposed Plan of Allocation to allocate the \$275,000,000 received in settlement of their claims against Sandoz Inc. and Fougera Pharmaceuticals Inc. (“Sandoz”),¹ plus any interest earned on the settlement funds, net of notice and administration expenses, any funds required to be returned to Sandoz,² and any Court-approved attorneys’ fees, litigation expenses, and service awards (the “Net Sandoz Settlement Fund”) among members of the proposed EPP Sandoz Settlement Class.³ This proposed Plan of Allocation is not part of the Sandoz Settlement Agreement, and apart from Sandoz’s review and comment on the Plan, Sandoz has no further obligation with respect to the allocation or distribution of the settlement amount. *See* Settlement Agreement ¶ III.C. The finality of the

¹ *See* Declaration of Roberta D. Liebenberg in Support of End-Payer Plaintiffs’ Motion for Preliminary Approval of Sandoz Settlement, Exhibit 1, filed concurrently herewith (the “Sandoz Settlement” or the “Settlement Agreement”).

² Up to \$45 million could be returned to Sandoz, depending on the level of opt-outs from the EPP Sandoz Settlement Class. *See* Settlement Agreement, ¶ V.

³ The proposed EPP Sandoz Settlement Class is defined in paragraph I.J. of the Settlement Agreement and includes both Consumers (natural person end-payers for Drugs at Issue in this litigation) and Third-Party Payers (non-natural-person entities that indirectly purchased, paid, and/or provided reimbursement for some or all of the purchase price of Drugs at Issue).

Settlement between EPPs and Sandoz is not contingent on the Court's approval of this Proposed Plan of Allocation.

I. PROPOSED PLAN OF ALLOCATION

A. Definitions

Except as defined below, capitalized terms in this Plan of Allocation have the same meaning as in the Settlement Agreement.

1. "Claims Administrator" means the Court-appointed administrator responsible for claims processing and fund distribution for the Net Sandoz Settlement Fund.
2. "Claimant" means anyone who submits a Claim.
3. "Drugs at Issue" means the generic drugs for which EPPs have brought claims in this MDL. The list of Drugs at Issue is attached as Appendix A to the Sandoz Settlement Agreement and will be available on the Settlement Website, GenericDrugsEndPayerSettlement.com, or by calling the Claims Administrator.
4. "Eligible Claimant" means any Settlement Class Member who submits a Qualifying Claim, or on whose behalf a Qualifying Claim is submitted.
5. "Eligible Purchase Period" means May 1, 2009 through December 31, 2019.
6. "Eligible Purchases" means the dollar amount paid or reimbursed by Settlement Class Members for purchases of Drugs at Issue during the Eligible Purchase Period.
7. "National Drug Codes" or "NDCs" means the standard codes maintained by the United States Food and Drug Administration for the purpose of identifying specific pharmaceutical products.

8. “Proof of Claim” means the document(s) a Settlement Class Member must submit to the Claims Administrator to make a claim under the Settlement.

9. “Qualifying Claim” means a timely, complete, and valid Proof of Claim that is accepted by the Claims Administrator.

10. “Settlement Class Member” means any person or entity that falls within the class definition set forth in paragraph I.J. of the Settlement Agreement and does not submit a valid and timely request for exclusion from the EPP Sandoz Settlement Class.

B. Initial Submission of Claims

1. After receiving Court approval to commence the claims process, the Claims Administrator will make claim forms available on GenericDrugsEndPayerSettlement.com, the EPP Settlement Website.⁴ *Persons and entities who have registered to receive automatic updates regarding the Settlement will be sent an update advising them that they must submit a claim form to be eligible to receive a distribution from the Net Sandoz Settlement Fund.*

2. The claim forms will instruct Claimants to submit information regarding their end-purchases of, or reimbursements for, Drugs at Issue during the Eligible Purchase Period.

⁴ EPPs’ proposed Notice Plan, set forth in the Declaration of Elaine Pang of A.B. Data, Ltd. Regarding Proposed Notice Plan (“A.B. Data Decl.”), filed concurrently herewith, uses direct mail postcard notice, internet banner ads, a news release, and social media to direct potential Settlement Class Members to the EPP Settlement Website. The long-form notice on the website, the website itself, the postcard notice, the news release, and the summary notice will instruct Settlement Class Members to register to receive automatic updates regarding the Settlement, including updates on when claim forms will be available. A.B. Data Decl. ¶ 36.

3. The Consumer claim form will instruct Consumer Claimants to submit at least one proof of purchase for each Drug at Issue they bought, and to list the total dollars spent for each such Drug at Issue during the Eligible Purchase Period, sufficient for the Claims Administrator to calculate the Claimant's *pro rata* share of the Net Sandoz Settlement Fund.

4. The TPP claim form will instruct TPP Claimants to submit documentation or data reflecting all of their payments or reimbursements for Drugs at Issue during the Eligible Purchase Period, sufficient for the Claims Administrator to calculate the Claimant's *pro rata* share of the Net Sandoz Settlement Fund.

5. For any person or entity seeking to make a claim as an authorized agent acting on behalf of one or more Settlement Class Members (*e.g.*, a Third-Party Administrator ("TPA"), Administrative Services Only Provider ("ASO"), Pharmacy Benefits Manager ("PBM"), claim aggregator, or other authorized agent), the claim form will require that person or entity to certify that (i) they are authorized to receive on behalf of the Settlement Class Members any and all amounts that may be allocated to the Settlement Class Members from the Settlement Fund; (ii) that they will fulfill all duties that they owe the Settlement Class Members (*e.g.*, forwarding the Settlement Class Members' shares of the Settlement Fund to them); and (iii) that if a Settlement Class Member later argues that the submitting person or entity did not have the authority to submit the claim and/or receive such amounts on the Settlement Class Member's behalf, then the submitting person or entity will hold the EPP Sandoz Settlement Class, Class

Counsel, Sandoz, and the Claims Administrator harmless with respect to any claims made by the Settlement Class Member.

6. The claim forms will also request the Claimant's full name, current mailing address, current email address, and information on how the Claimant would prefer the distribution to be made (*e.g.*, electronically or by mailed check). In addition, the TPP claim form will request the identity and contact information for the person responsible for overseeing the claims process for the Claimant, and the Claimant's federal tax identification number. Finally, each Claimant will be required to execute the claim form, affirm the truth of the information submitted, and acknowledge that any false information or representations in the claim form may subject the Claimant to sanctions (including the possibility of criminal prosecution), in order for the claim to be considered for a distribution from the Net Sandoz Settlement Fund.

7. Claimants must submit a Proof of Claim, which shall consist of a completed claim form together with, for Consumers the proofs of purchase, and for TPPs the supporting transaction data and documentation, specified in the claim form. In some instances, the Claims Administrator may ask for additional data and documentation to complete or substantiate the Proof of Claim.

8. The Claims Administrator shall use names, addresses, tax identification numbers, other identifying information, and best practices to identify potentially duplicative claims. If a duplicative claim is submitted both by a Settlement Class Member and by a different Claimant (*e.g.*, an ASO that services the TPP Settlement Class Member, a claim aggregator, an attorney, an alleged assignee,

etc.), the claim will be paid only one time, to the Settlement Class Member. In such a situation, the Claims Administrator will deny the claim made by the duplicative (non-class member) Claimant. For avoidance of doubt, where two Settlement Class Members submit claims arising out of the same purchase transaction, but their claims are for different portions of the transaction (*e.g.*, an insured consumer who paid for a portion of a drug via copay or coinsurance, and a TPP that paid the balance of the drug's cost), those claims are *not* duplicative claims.

C. Identification of Qualifying Claims

1. The Claims Administrator will review and process all submitted claims.
2. The Claims Administrator first will determine whether a claim form is timely, properly completed, signed, and supported by sufficient documentation or data. If the Claims Administrator determines that it needs further information or documentation to substantiate or process a claim, the Claimant will be notified in writing. The notification will explain how the Claimant can cure the deficiency and provide a reasonable deadline for submitting a curing response. If a Claimant fails to correct the deficiency within the time specified, the claim may be rejected in whole or in part.
3. The Claims Administrator will classify all claims as either "Eligible" or "Ineligible." "Eligible Claims" will be further classified as: (i) claims recommended for approval as filed; (ii) claims recommended for approval but with modification; or (iii) late claims recommended for acceptance because they would have been Eligible Claims if filed on time and their acceptance will not substantially delay claims administration.

4. The Claims Administrator will classify as “Ineligible Claims” those claims that it recommends for rejection and will identify the basis. Claimants whose claims have been rejected will be notified in writing.

5. Only Eligible Claimants will be permitted to recover from the Net Sandoz Settlement Fund.

D. Distribution of Settlement Fund

1. The Net Sandoz Settlement Fund shall be distributed to Eligible Claimants on a *pro rata* basis, according to their Eligible Purchases.

2. To determine each Eligible Claimant’s *pro rata* share of the Net Sandoz Settlement Fund, the Claims Administrator shall multiply the total amount of the Net Sandoz Settlement Fund by a fraction, for which (a) the numerator is the Eligible Purchases by that Eligible Claimant, and (b) the denominator is the sum total of all Eligible Purchases (*i.e.*, total amounts paid) by all Eligible Claimants.

3. The Claims Administrator will analyze whether it would be feasible and economical to establish a minimum amount to be distributed to each Eligible Claimant, and if it is feasible and economical, what (in dollars) that minimum distribution amount should be. Settlement Class Counsel will move the Court to approve an amended Plan of Allocation incorporating any recommended minimum distribution amount.

4. Finally, the Claims Administrator will create a schedule showing each Eligible Claimant and its share of the Net Sandoz Settlement Fund. Class Counsel will then request the Court’s permission to distribute the funds, including approval of the minimum distribution amount if the Claims Administrator recommends one.

E. Distribution of Residual Funds

1. For any settlement benefits paid via check, the check will bear an expiration date. The Claims Administrator will use reasonable efforts to encourage Claimants to cash checks before they expire and, upon request, may reissue checks to Claimants whose checks have expired. The Claims Administrator will void expired checks that are not cleared within a commercially reasonable period of time (generally 90 days).
2. For any settlement benefits paid electronically, the settlement beneficiary will be provided 90 days from issuance to take custody of the funds. The Claims Administrator will use reasonable efforts to encourage Claimants to accept electronic transfers before they expire and, upon request, may reissue electronic transfers to Claimants whose transfers have expired. The Claims Administrator will void transfers that are not cleared within a commercially reasonable period of time (generally 90 days).
3. If a distributable balance remains in the Net Sandoz Settlement Fund by reason of uncashed checks, unclaimed electronic transfers or otherwise, after all checks and transfers have cleared or expired, then that balance may be redistributed, without further order of the Court, on a *pro rata* basis among those Eligible Claimants who have cashed their checks, after payment of any additional costs or fees incurred in administering the Net Sandoz Settlement Fund. Where possible, such redistribution will occur in conjunction with the distribution of proceeds from other EPP settlements or judgments in the MDL.
4. Insofar as the Net Sandoz Settlement Fund includes residual funds after distribution or distributions, as set forth in the preceding sections, that cannot be

economically distributed to the Eligible Claimants, such funds may be retained while this litigation continues and be distributed with subsequent distributions; or, with Court approval, they may be awarded as attorneys' fees, and/or to reimburse litigation expenses, or to make *cy pres* payments for the benefit of the Settlement Class.

F. Administration

1. All determinations under this Plan of Allocation, shall be made by the Claims Administrator, subject to review by Settlement Class Counsel and approval by the Court.
2. In the event that a Claimant believes that the Claims Administrator's determination on any subject (*e.g.*, timeliness, completeness, documentation, calculation) is incorrect, the Claimant may ask the Claims Administrator to reconsider or recalculate. The Claims Administrator's decision resolving any such dispute will be final, subject to the Claimant's right to seek review by the Court. In notifying a Claimant of the rejection of a challenge, the Claims Administrator shall notify the Claimant of Claimant's right to seek judicial review.
3. Any appeal by a Claimant to the Court must be submitted in writing, with copies to the Claims Administrator and Class Counsel, within 21 days of the Claims Administrator's final rejection notification to the Claimant.
4. This Plan of Allocation may be amended, subject to Court approval. Any amendments will be promptly posted at GenericDrugsEndPayerSettlement.com.

II. TIMING OF DISTRIBUTION

For reasons of economy and administrative efficiency, Settlement Class Counsel recommend that the claims and distribution process for the EPP Sandoz Settlement be

coordinated with the claims and distribution process for the EPP Heritage Settlement and the EPP Apotex Settlement, for which Class Counsel will submit a Plan of Allocation shortly. Specifically, Counsel recommend that the claims and distribution process for all three settlements should occur after final approval of all three settlements.

III. PAYMENT OF CLAIMS ADMINISTRATOR

Prior to the Settlement becoming final, disbursements for the expenses of Settlement notice and administration may be made from the Sandoz Settlement Fund as provided in the Settlement Agreement.

The Claims Administrator will submit monthly invoices to EPP Settlement Class Counsel detailing the work performed and the expenses incurred in the prior month in the course of administering the Settlement. EPP Settlement Class Counsel will review such invoices, seek clarification or modification as needed, and submit invoices for reasonable and necessary expenses to the Escrow Agent with a written request that the invoices be paid from the Sandoz Settlement Fund. If requested by the Court, EPP Settlement Class Counsel will update the Court on these expenses in a status report.

Dated: February 14, 2025

Respectfully submitted,

/s/ Roberta D. Liebenberg
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