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STATE OF VERMONT  
SUPERIOR COURT  
WASHINGTON UNIT

2014 FEB 11 A 11:13

IN RE: Patterson Companies, Inc. ) CIVIL DIVISION  
 ) Docket No. 73-214 Wheeler  
 )

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Patterson Companies, Inc., on behalf of itself and its affiliates (collectively "Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

**BACKGROUND**

1. The Prescribed Product Gift Ban, 18 V.S.A. § 4631a, prohibits prescribed product manufacturers from giving most gifts to Vermont health care providers.
2. The Prescribed Products Disclosure Law, 18 V.S.A. § 4632, requires prescribed product manufacturers to file periodic reports with the Attorney General's Office detailing certain information about the allowable expenditures and permitted gifts the manufacturer gives to Vermont health care providers and other recipients covered under the law
3. Respondent is a prescribed product manufacturer incorporated under the laws of Minnesota, with its principal place of business located at 1031 Mendota Heights Road, St. Paul, MN 55120.
4. Respondent gave gifts to health care providers in violation of the Prescribed Product Gift Ban, 18 V.S.A. § 4631a, in the time period between July 1, 2009 and present.
5. Respondent also gave allowable expenditures and/or permitted gifts to Vermont health care providers and/or other recipients covered under the Prescribed Products Disclosure Law, 18 V.S.A. § 4632, during fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), and 2012 (January 1, 2012 through December 31, 2012).
5. Respondent failed to file annual reports with the Attorney General's Office for those years.
6. The above conduct constitutes violations of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

### INJUNCTIVE RELIEF, AND MONETARY PAYMENTS

- 7 Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.
8. Within 10 business days of Respondent signing this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of \$1,750.00, and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609, in full payment of the registration fees owed under 18 V.S.A. § 4632 for fiscal year 2010 (July 1, 2009 through June 30, 2010), fiscal year 2011 (July 1, 2010 through June 30, 2011), calendar year 2011 (July 1, 2011 through December 31, 2011), and 2012 (January 1, 2012 through December 31, 2012).
- 9 Additionally, Respondent shall pay civil penalties of thirty-five thousand dollars (\$35,000) for having given gifts to health care providers in violation of the Prescribed Product Gift Ban, 18 V.S.A. § 4631a, in the time period between July 1, 2009 and present within 15 business days of having signed this Assurance of Discontinuance. Respondent shall make payment to the "State of Vermont" and send to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.
10. Respondent shall also pay thirty-five thousand dollars (\$35,000), within 15 business days of signing this Assurance of Discontinuance, to the Vermont Head Start Tooth Tutor Program. Notice of the payment shall be provided to the Attorney General at the address below

### OTHER TERMS

12. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.
- 13 The Attorney General hereby releases any and all claims arising under the Prescribed Product Gift Ban, 18 V.S.A. § 4631a, for the conduct described in the background section for the time period between July 1, 2009 and December 31, 2012.
14. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Disclosure Law, 18 V.S.A. § 4632, that it may have against Respondent for the conduct described in the background section for fiscal years to the present.
- 15 The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this

Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

#### **STIPULATED PENALTIES**

15. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a 4632, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be \$2,000. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632 that occurs after the date this Assurance of Discontinuance is executed.

16. Section 15 on Stipulated Penalties shall expire no later than ten years from the effective date of this Assurance of Discontinuance with no further action necessary by the parties. If after expiration of Section 15, the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having violated the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, any such failure to report shall be governed by the terms of the Prescribed Product Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

#### **NOTICE**

16. Respondent may be located at:

General Counsel  
Patterson Companies, Inc.  
1031 Mendota Heights Rd.  
St. Paul, MN 55120

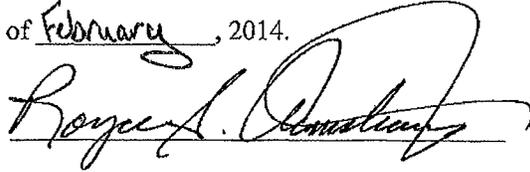
17 Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

#### **SIGNATURE**

In lieu of instituting an action or proceeding against Patterson Companies, Inc., the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By

signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at St. Paul, Minnesota, this 6<sup>th</sup> day of February, 2014.



ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 11<sup>th</sup> day of February, 2014.

STATE OF VERMONT

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By: 

Kate Whelley McCabe  
Assistant Attorney General  
Office of Attorney General  
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Montpelier, Vermont 05609  
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802.828.5621