

VT SUPERIOR COURT
WASHINGTON UNIT
CIVIL DIVISION

STATE OF VERMONT

SUPERIOR COURT

WASHINGTON UNIT

2015 JUN 26 P 3:56

FILED

CIVIL DIVISION

IN RE: Henry Schein, Inc.

Docket No.

404-6-15020

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell ("the Attorney General") and Henry Schein, Inc. ("Respondent") hereby agree to this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

BACKGROUND

1. 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.

2. Respondent is incorporated under the laws of Delaware, with its principal place of business located at 135 Duryea Road, Melville, NY 11747. The Attorney General alleges that Respondent is a prescribed products manufacturer subject to the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

3. The Attorney General alleges that Respondent 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

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

December 31, 2011), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

4. Respondent did not file annual reports with the Attorney General's Office 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), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

5. The facts as alleged by the Attorney General constitute violations of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. Respondent agrees that it will be considered a prescribed products manufacturer for purposes of the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632. Respondent shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

7. No later than thirty (30) days after the filing of this Assurance of Discontinuance, Respondent shall make payment to the "State of Vermont" in the amount of \$56,250.00 and send to: Wendy Morgan, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, VT 05609.

OTHER TERMS

8. Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent and its successors and assigns.

9. 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 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), calendar year 2012 (January 1, 2012 through December 31, 2012) and calendar year 2013 (January 1, 2013 through December 31, 2013).

**Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609**

10. 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

11. 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 \$10,000.00. 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. This Section 11 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 the expiration of this Section 11, 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 Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632, any such violation shall be governed by the terms of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. § 4632(c).

NOTICE

12. Respondent may be located at:

Nancy F. Lanis

Vice President, Regulatory & Legal Affairs Henry Schein, Inc.

135 Duryea Road

Melville, NY 11747

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

13. 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 Respondent, 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 Melville, New York, this 15th day of June, 2015.

HENRY SCHEIN, INC.


By: Nancy Lanis
Vice President, Regulatory & Legal Affairs

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this ^{su} 15 day of June, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL

ATTORNEY GENERAL

By:



Kate Whelley McCabe
Wendy Morgan
Assistant Attorneys General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
wendy.morgan@state.vt.us
802.828.5586

cc: Seth H. Lundy, King & Spalding LLP
Brian A. Bohnenkamp, King & Spalding LLP

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609