

VT SUPERIOR COURT
WASHINGTON UNIT

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

2013 SEP 18 P 2:44

IN RE: McKesson Medical-Surgical Inc.

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CIVIL DIVISION

Docket No. 507-9-136ncv

FILED

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell (“the Attorney General”) and McKesson Medical-Surgical Inc., 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, McKesson Medical-Surgical Inc., is a prescribed product manufacturer incorporated under the laws of Virginia, with its principal place of business located at 8741 Landmark Road, Richmond, VA 23228.
3. McKesson Medical-Surgical Inc. 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) and calendar year 2011 (July 1, 2011 through December 31, 2011).
4. McKesson Medical-Surgical Inc. failed to 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) and calendar year 2011 (July 1, 2011 through December 31, 2011).

5. The above conduct constitutes a violation of the Prescribed Products Disclosure Law, 18 V.S.A. § 4632.

INJUNCTIVE RELIEF

6. McKesson Medical-Surgical Inc. shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631, 4632.

7. By May 15, 2013, McKesson Medical-Surgical Inc. shall make payment to the "State of Vermont" in the amount of \$1,250.00, 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) and calendar year 2011 (July 1, 2011 through December 31, 2011).

OTHER TERMS

8. McKesson Medical-Surgical Inc. agrees that this Assurance of Discontinuance shall be binding on McKesson Medical-Surgical Inc. 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 McKesson Medical-Surgical Inc. 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) and calendar year 2011 (July 1, 2011 through December 31, 2011). **The**

Attorney General does NOT release any claims arising under the Prescribed Product Gift Ban, 18 V.S.A. § 4631.

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 Disclosure Law, 18 V.S.A. § 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. 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. §§ 4631, 4632 that occurs after the date this Assurance of Discontinuance is executed.

NOTICE

12. Respondent may be located at:

Bill D. Blanchfill
Vice President & Chief Compliance Officer
McKesson Medical-Surgical Inc.
10th Avenue North
Golden Valley, MN 55427

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 McKesson Medical-Surgical 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 Golden Valley, MN, this 13 day of May, 2013.

Robert D. Sawicki

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 18th day of September, 2013.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

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