

the State's Reply in support of the Motion, filed on February 21, 2018. On February 22, 2018, the Court held a hearing on the State's Motion and heard argument from counsel for the parties. At the conclusion of the hearing, and following the Court's review and analysis of the briefs, exhibits and oral argument submitted to the Court, the Court **granted** the State's Motion to appoint a qualified individual to serve as settlement master (hereinafter, the "Settlement Master") in this complex action, for reasons stated on the record and as confirmed in the Court's Summary Order, dated February 22, 2018. The Court further ordered the parties to cooperate in the selection of a settlement master and settlement process framework and submit their proposals to the Court within thirty (30) days, after which the Court would appoint an individual to serve as Settlement Master.

Having reviewed the parties' submissions and pursuant to Rule 5 of the Rules for District Courts of Oklahoma, 12 OKLA. STAT., Ch. 2, Appx., Rule 5 ("Rule 5") and the Court's inherent authority to efficiently manage the matters on the Court's docket, the Court finds the circumstances of this case warrant the early appointment of a Settlement Master to begin conducting and administering settlement conferences in this litigation. As explained below, the Settlement Master will have no authority to decide or resolve any question of law or fact at issue in the case but, instead, will serve the necessary and important function of facilitating and administering the settlement process in this litigation.

IT IS THEREFORE ORDERED THAT:

A. The Court hereby APPOINTS the Honorable Layn R. Phillips as Settlement Master in this proceeding to facilitate, administer, and oversee the settlement negotiations and procedure in this action. The Court finds Judge Phillips' substantial experience in mediating complex

Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc., n/k/a Janssen Pharmaceutica, Inc., Watson Laboratories, Inc., Actavis LLC, and Actavis Pharma, Inc., f/k/a Watson Pharma, Inc.

litigation throughout the country demonstrate that Judge Phillips is amply qualified to serve as Settlement Master in this action.

B. The Settlement Master shall proceed with all reasonable diligence in performing the Settlement Master's appointed duties.

C. The Settlement Master shall possess and may exercise the full authority to take such actions as the Settlement Master, in his/her sole discretion, reasonably believes will advance and facilitate the meaningful resolution of all or any part of this action, specifically including, but not limited to, the authority to schedule, set, conduct, mediate, and/or preside over any meetings, conferences, negotiations, mediations, and/or information sessions with the parties and their counsel that the Settlement Master reasonably determines will facilitate the meaningful resolution of this action. The Settlement Master further may make such other and additional requirements of the parties as to him shall seem proper in order to expedite an amicable resolution of the case.

D. The Settlement Master shall conduct a settlement meeting or other conference with the parties and their counsel each month during the pendency of this action. This meeting or conference must be attended (either in person or telephonically, subject to the Settlement Master's discretion and the provisions of Rule 5(L)) by at least one lead attorney representing each named party to the action. The Settlement Master shall endeavor to coordinate the scheduling of any such meetings or conferences for dates when the parties are appearing before the Court or Discovery Master. To the extent such meetings or conferences are not coordinated, they may be held outside of Oklahoma.

E. The Settlement Master shall have the full and complete authority to require the submission of briefing or other information from the parties in any format regarding the parties' positions related to a potential settlement or resolution of this action, and to set reasonable briefing

schedules for any such submissions at the Settlement Master's sole discretion. Further, the parties shall make readily available to the Settlement Master any and all individuals, documents, materials, programs, files, databases, services, facilities, filings and premises under their control that the Settlement Master reasonably requires to perform the Settlement Master's duties or functions under this Order, except nothing in this Order shall require a party to make individuals, materials, programs, files, databases, services, facilities, filings or premises available to the Settlement Master over the party's good faith objection based on privilege, relevancy, or undue burden.

F. The Settlement Master shall have the authority to meet separately and together with various groups of the Settlement Master's choosing to facilitate communications between and amongst the parties and the Court. This authority includes the authority to engage in *ex parte* communications with the parties and the parties' counsel, if the Settlement Master determines such communications will properly and orderly expedite an amicable resolution of the case. Specifically, the Settlement Master shall have the authority to communicate *ex parte*: (i) with the Court at the Settlement Master's discretion, without providing notice to the parties, regarding logistics, the nature of the Settlement Master's activities, management of the litigation, the status and/or progress of the Settlement Master's efforts and activities, and any other appropriate procedural matters related to the Settlement Master's duties and authorities set forth in this Order; and (ii) with any party or the party's counsel, as the Settlement Master deems appropriate, for the purpose of mediating or negotiating a resolution of part or all of any dispute related to this case. However, pursuant to Rule 5(L), the Settlement Master shall not discuss with anyone, including the Court, the substance of any settlement discussions or conferences, or communications between and/or among the Settlement Master and any of the parties.

G. The Settlement Master shall not file any materials, reports or other submissions publicly with the Court, nor shall the parties file with the Court any submissions, briefing or other materials requested from the parties by the Settlement Master, except that nothing in this Order shall preclude the parties from filing discovery materials, transcripts, or other documents or information simply because it was separately requested by or submitted to the Special Master.

H. The Settlement Master need not preserve for the record any documents received by the Settlement Master from counsel or the parties to this action.

I. The parties and their counsel, including their successors in office, agents, and employees, shall provide full cooperation with the Settlement Master, and any staff or consultant employed by the Settlement Master, and observe faithfully the requirements of this Order and any instructions or requests from the Settlement Master. Specifically, as set forth in Rule 5(L), the parties, their representatives and attorneys are required to be completely candid with the Settlement Master so that the Settlement Master may properly guide settlement discussions, and the failure to attend a settlement conference or the refusal to cooperate fully within the spirit of Rule 5 may result in the imposition of any of the sanctions mentioned in Rule 5(J).

J. The Settlement Master will have no authority to decide any issues of law or fact pertaining to this action, make any findings of fact or conclusions of law, or issue any opinions, reports or recommendations regarding any substantive questions of fact or law.

K. The Settlement Master shall be paid for work done pursuant to this Order, and shall be reimbursed for all reasonable expenses incurred. The Settlement Master shall incur only such fees and expenses as may reasonably be necessary to fulfill the Settlement Master's duties under this Order, or such other Orders as the Court may issue.

L. The Settlement Master's fees and expenses shall be divided equally amongst the sides, each responsible for fifty (50) percent of the Settlement Master's fees and expenses. The Settlement Master shall bill the sides in equal amounts on a monthly basis for fees and expenses, and the sides shall pay the Settlement Master's bills promptly.

M. The Court may amend this Order at any time after notice to the parties and opportunity to be heard.

N. The Settlement Master shall execute and file an oath, stating that the Settlement Master will faithfully execute the duties imposed by this Order and any amendments thereto.

O. The Settlement Master shall be immune from civil liability to the same extent as a judge of a court of this state acting in a judicial capacity.

P. Unless otherwise provided herein, all communications made or information exchanged relating to the subject matter of this case among the parties, their counsel, or the Settlement Master, during the course of and pursuant to settlement meetings or other conferences conducted by the Settlement Master shall be considered confidential and shall be maintained in confidence. No admission, representation, statement, or other confidential communication made in connection with settlement meetings or other conferences conducted by the Settlement Master, or information provided or disclosed therein, shall be disclosed outside of settlement discussions, or admissible as evidence or subject to discovery, except that no fact independently discoverable shall be nondiscoverable solely by virtue of having been disclosed in such confidential communication. No participant in settlement meetings or other conferences conducted by the Settlement Master, including the Settlement Master, shall be subpoenaed or otherwise compelled to disclose any matter disclosed in the process of setting up or conducting the aforementioned proceedings.

Q. This Order shall become effective upon the later of the filing of (i) this Order, or
(ii) the Settlement Master's oath, and shall remain in effect until further Order of the Court.

IT IS SO ORDERED.

A handwritten signature in black ink, reading "Thad Balkman". The signature is written in a cursive style with a long, sweeping underline that extends to the left and then underlines the name.

THE HONORABLE THAD BALKMAN
OKLAHOMA DISTRICT COURT OF CLEVELAND COUNTY

APPROVED AS TO FORM:



Reggie Whitten, OBA No. 6576
Michael Burrage, OBA No. 1350
WHITTEN BURRAGE
512 North Broadway Avenue, Suite 300
Oklahoma City, OK 73102
Telephone: (405) 516-7800
Facsimile: (405) 516-7859
Email: rwhitten@whittenburrage.com
mburrage@whittenburrage.com

Mike Hunter, OBA No. 4503
ATTORNEY GENERAL FOR THE STATE OF OKLAHOMA
Abby Dillsaver, OBA No. 20675
GENERAL COUNSEL TO THE ATTORNEY GENERAL
Ethan A. Shaner, OBA No. 30916
DEPUTY GENERAL COUNSEL
313 N.E. 21st Street
Oklahoma City, OK 73105
Telephone: (405) 521-3921
Facsimile: (405) 521-6246
Email: abby.dilsaver@oag.ok.gov
ethan.shaner@oag.ok.gov

Bradley E. Beckworth, OBA No. 19982
Jeffrey J. Angelovich, OBA No. 19981
NIX, PATTERSON & ROACH, LLP
512 North Broadway Avenue, Suite 200
Oklahoma City, OK 73102
Telephone: (405) 516-7800
Facsimile: (405) 516-7859
Email: bbeckworth@nixlaw.com
jangelovich@nixlaw.com

Glen Coffee, OBA No. 14563
GLEN COFFEE & ASSOCIATES, PLLC
915 North Robinson Avenue
Oklahoma City, OK 73102
Telephone: (405) 601-1616
Email: gcoffee@glenncoffee.com

Attorneys for Plaintiff



Sanford C. Coats, OBA No. 18268
Cullen D. Sweeney, OBA No. 30269
CROWE & DUNLEVY, P.C.
Braniff Building
324 N. Robinson Ave., Ste. 100
Oklahoma City, OK 73102
Tel: (405) 235-7700
Fax: (405) 272-5269
sandy.coats@crowedunlevy.com
cullen.sweeney@crowedunlevy.com

Of Counsel:

Sheila Birnbaum
Mark S. Cheffo
Hayden A. Coleman
QUINN EMANUEL URQUHART & SULLIVAN, LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010
Tel: (212) 849-7000
Fax: (212) 849-7100
sheilabirnbaum@quinnemanuel.com
markcheffo@quinnemanuel.com
haydencoleman@quinnemanuel.com

Patrick J. Fitzgerald
R. Ryan Stoll
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
155 North Wacker Drive, Suite 2700
Chicago, Illinois 60606
Tel: (312) 407-0700
Fax: (312) 407-0411
patrick.fitzgerald@skadden.com
ryan.stoll@skadden.com

*Counsel for Defendants Purdue Pharma L.P., Purdue Pharma Inc.,
and The Purdue Frederick Company Inc.*

Robert G. McCampbell

Robert G. McCampbell, OBA No. 10390

Nicholas V. Merkley, OBA No. 20284

GABLEGOTWALS

One Leadership Square, 15th Floor

211 North Robinson

Oklahoma City, OK 73102-7255

Tel: (405) 235-5567

RMcCampbell@Gablelaw.com

NMerkley@Gablelaw.com

Of Counsel:

Steven A. Reed

Harvey Bartle IV

Rebecca Hillyer

MORGAN, LEWIS & BOCKIUS LLP

1701 Market Street

Philadelphia, PA 19103-2921

Tel: (215) 963-5000

Email: steven.reed@morganlewis.com

harvey.bartle@morganlewis.com

rebecca.hillyer@morganlewis.com

Brian M. Ercole

MORGAN, LEWIS & BOCKIUS LLP

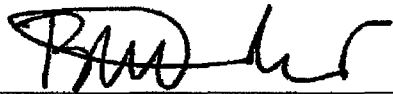
200 S. Biscayne Blvd., Suite 5300

Miami, FL 33131

Tel: (305) 415-3416

Email: brian.ercole@morganlewis.com

*Attorneys for Defendants Cephalon, Inc., Teva Pharmaceuticals
USA, Inc., Watson Laboratories, Inc., Actavis LLC, and Actavis
Pharma, Inc. f/k/a Watson Pharma, Inc.*



Benjamin H. Odom, OBA No. 10917
John H. Sparks, OBA No. 15661
ODOM, SPARKS & JONES PLLC
HiPoint Office Building
2500 McGee Drive Ste. 140
Norman, OK 73072
Telephone: (405) 701-1863
Facsimile: (405) 310-5394
Email: odomb@odomsparks.com
Email: sparksj@odomsparks.com

Stephen D. Brody
O'MELVENY & MYERS LLP
1625 Eye Street NW
Washington, DC 20006
Telephone: (202) 383-5167
Facsimile: (202) 383-5414
Email: sbrody@omm.com

Charles C. Lifland
Jennifer D. Cardelus
O'MELVENY & MYERS LLP
400 S. Hope Street
Los Angeles, CA 90071
Telephone: (213) 430-6000
Facsimile: (213) 430-6407
Email: clifland@omm.com
jcardelus@omm.com

*Attorneys for Defendants Johnson & Johnson,
Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica,
Inc. n/k/a Janssen Pharmaceuticals, Inc., and
Oritho-McNeil-Janssen Pharmaceuticals, Inc.
n/k/a Janssen Pharmaceuticals, Inc.*