

## **ALLOCATION AGREEMENT**

This Allocation Agreement (“Agreement”) is entered into by the California Insurance Commissioner, Ricardo Lara (“the Commissioner”), in his capacity as California Insurance Commissioner; Lazaro Suarez (“Relator”); and Lieff Cabraser Heimann & Bernstein, LLP (“Relator’s Counsel”).

### **I. RECITALS**

A. Relator filed a civil action against AbbVie, Inc. (“AbbVie”) in Alameda County Superior Court on February 15, 2018, alleging a claim under California’s Insurance Frauds Prevention Act (“IFPA”), Insurance Code section 1871.7, *Lazaro Suarez v. AbbVie Inc.*, Case No. RG18893169 (the “Action”). The State of California, by and through the California Insurance Commissioner, filed a notice of intervention on September 6, 2018.

B. The State of California, AbbVie, and Relator resolved the IFPA claim alleged in the Action in a settlement agreement executed on July 20, 2020 (“IFPA Settlement Agreement”). The IFPA Settlement Agreement provided that AbbVie agreed to pay the sum of Twenty-Four Million Dollars (\$24,000,000) (“the Settlement Proceeds”) in full and final settlement and discharge of the IFPA Claims brought in the Action, or which could have been brought in the Actions.

### **II. AGREEMENT**

1. Incorporation of IFPA Settlement Agreement. The IFPA Settlement Agreement, including the defined terms thereunder, is incorporated by reference herein.

2. Allocation of the Settlement Proceeds: Pursuant to Insurance Code section 1871.7(g)(1)(A)(ii), the Commissioner and Relator agree that the Commissioner shall receive sixty-two and a half (62.5) percent of the Settlement Proceeds (which equates to a sum of Fifteen

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Million Dollars (\$15,000,000)). Pursuant to Insurance Code section 1871.7(g)(1)(A)(iii)(IV), the Commissioner and Relator agree that Relator shall receive Thirty-Seven and one-half (37.5) percent of the Settlement Proceeds (which equates to a sum of Nine Million Dollars (\$9,000,000)).

3. Continuing Jurisdiction to Enforce. The Parties further agree that the Court in the California Civil Action shall retain jurisdiction over the Parties to enforce this Agreement.

4. Governing Law/Jurisdiction. This Agreement has been negotiated and entered into under the laws of California. The exclusive jurisdiction and venue for any dispute relating to this Agreement is in Alameda County Superior Court. Before bringing suit, the parties agreement to mediation.

5. Authority. Each Party to this Agreement represents and warrants that such Party has the full right and authority to execute this Agreement. The signatories for the Parties hereto represent and warrant that they have been granted specific authority by their respective principals to execute the Agreement on behalf of the Party. Where applicable, all corporate, partnership, or other organizational action necessary to authorize such execution has been taken and completed. The signatory of each Party to this Agreement has the full right and authority to commit and bind each respective Party to the fullest extent of the law.

6. Voluntary Agreement. The Parties hereto represent and declare that in executing this Agreement they rely solely upon their own judgment, belief, and knowledge concerning the nature, extent, and duration of their rights and claims. The Parties acknowledge that they have carefully read this Agreement and know the contents thereof, and that they made the decision to execute this Agreement freely and without any duress or coercion by any person, party, or individual.

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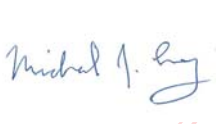
7. Counterparts and Execution. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement, and each Party shall provide a copy of the signature page with the signature of its authorized representative to the other Parties. Facsimiles and scanned PDFs of physical signatures shall constitute acceptable, binding signatures for purposes of this Agreement. Likewise, typed signatures or imprinted signature images with associated correspondence indicating the authenticity of execution shall constitute acceptable, binding signatures for purposes of this Agreement.

8. Effective Date. This Agreement is effective on the date of signature and transmittal to the other Parties of the last signatory to the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as noted below.

**THE CALIFORNIA DEPARTMENT OF INSURANCE**

DATED: 7/20/2020

 Michael J. Levy  
2020.07.20  
11:30:10 -07'00'  
BY: \_\_\_\_\_  
MICHAEL J. LEVY  
Deputy General Counsel for Ricardo Lara in his  
Capacity as Insurance Commissioner  
for the California Department of Insurance

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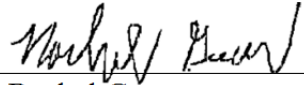
**RELATOR LAZARO SUAREZ**

DATED: July 20, 2020

BY: Lazaro Suarez  
Lazaro Suarez  
Relator

**RELATOR’S COUNSEL**

DATED: July 20, 2020

BY:   
Rachel Geman  
LIEFF CABRASER HEIMANN &  
BERNSTEIN, LLP  
*Counsel for Relator Lazaro Suarez*