



State of North Carolina

ROY COOPER
ATTORNEY GENERAL

Department of Justice
PO Box 629
Raleigh, North Carolina
27602

December 19, 2013

North Carolina Senate President Pro Tempore Phil Berger
North Carolina House of Representatives Speaker Thom Tillis
Chairs, Joint Legislative Commission on Governmental Operations

Senator Stan Bingham
Senator Thom Goolsby
Senator E.S. (Buck) Newton
Representative James L. Boles, Jr.
Representative N. Leo Daughtry
Representative John Faircloth
Representative Pat B. Hurley
Chairs, Appropriations Subcommittees on Justice and Public Safety

North Carolina General Assembly
Raleigh, North Carolina 27601-1096

RE: N.C.G.S. § 114-2.5; Report of Settlements

Dear Members:

N.C.G.S. § 114-2.5 requires the Attorney General to report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety regarding settlement agreements, final orders, or judgments which result in more than \$75,000 being paid to the State not less than thirty (30) days prior to the disbursement of the funds. Pursuant to that requirement, I am writing to report on several cases which are contained in the enclosed document.

We will be happy to respond to any questions you may have regarding this report. Please feel free to contact me at (919) 716-6400.

Very truly yours,

A handwritten signature in black ink that reads "Kristi Hyman". The signature is written in a cursive, flowing style.

Kristi Hyman
Chief of Staff

KH/tms
Enclosure

cc: Kristine Leggett, Fiscal Research, NCGA
Nels Roseland, Chief Fiscal Officer, NC DOJ
Christy Agner, Legislative Liaison, NC DOJ

N.C.G.S. 114-2.5 Attorney General Report of Settlement Agreements and Final Court Orders

R.A. North Development, Inc., et al.:

The State alleged Defendants engaged in unfair and deceptive promotional and marketing practices regarding the sale of residential lots in two coastal real estate developments located in Carteret and Onslow counties. North Carolina received \$2,280,000.00 to be used for consumer restitution and attorney's fees and costs.

Google, Inc.:

States alleged that Google Street View vehicles collected and stored confidential and private WiFi network information that included individuals' email addresses, email communications and URL's of websites visited. N.C. received \$151,024.02 to be used for attorney's fees and costs, consumer protection or privacy enforcement.

Toyota Motor Corporation:

States alleged that Toyota engaged in unfair and deceptive promotional and marketing practices regarding vehicles that were the subject of various safety recalls. N.C. received \$809,766.68 to be used for attorneys' fees and costs or consumer protection purposes.

Lender Processing Services, Inc., et al.:

States alleged that Defendants recorded mortgage loan documents in local land records offices which contained inaccuracies, unauthorized signatures, notarization defects and other deficiencies knowing that these documents would be used in foreclosure processes. N.C. received \$4,226,639.00 to be used for attorney's fees and costs or consumer protection purposes.

Pfizer, Inc.:

States alleged, among other things, that Pfizer promoted off-label marketing of its prescription drugs Zyvox and Lyrica. N.C. received \$1,777,924.00: \$1,349,167.00 to be used for attorney's fees and costs or consumer protection purposes; \$421,325.34 to the North Carolina State Health Plan for Teachers and State Employees; and \$7,431.66 to the North Carolina Department of Correction.

Duke Energy Corporation:

North Carolina-only Settlement Agreement regarding the Attorney General's investigation of the Duke Energy Corporation and Progress Energy, Inc. merger. N.C. received \$250,000.00 to be used for attorney's fees and costs.

GlaxoSmithKline, L.L.C.:

States alleged, among other things, that GlaxoSmithKline promoted the off-label marketing of its prescription drugs Avandia, Avandamet and Avandaryl. N.C. received \$2,673,740.47 to be used for consumer protection enforcement or for attorneys' fees and costs, or other consumer protection purposes.

GlaxoSmithKline, L.L.C.:

State alleged claims of the North Carolina State Health Plan for Teachers and State Employees for the alleged promotional practices and dissemination of information for its prescription drugs Avandia, Avandamet and Avandaryl. N.C. received \$400,000.00 for the North Carolina State Health Plan for Teachers and State Employees.

Janssen Pharmaceuticals, Inc., et al.:

States alleged, among other things, that Defendants promoted the off-label marketing of their prescription drug Risperdal. N.C. received \$7,177,812.00 to be used for consumer protection enforcement or for attorneys' fees and costs, or other consumer protection purposes.

QuinStreet, Inc.:

States alleged, among other things, that QuinStreet operated a website (www.gibill.com) that falsely caused military service members and others to believe the website was authorized by the U.S. Government and that the schools listed on the website were the only schools that accepted G.I. Bill funds. N.C. received \$225,000.00 to be used for attorney's fees and costs or consumer protection purposes, or other lawful purposes.

GE Funding Capital Market Services, Inc., et al.:

States alleged that Defendants engaged in bid rigging and other anticompetitive practices in the sale of municipal bond derivatives to municipalities and non-profit organizations. N.C. received \$336,800.00: \$115,302.00 for attorneys' fees and costs, antitrust or consumer protection purposes; and \$221,498.00 to the North Carolina Civil Penalty and Forfeiture Fund.

Sketchers USA, Inc.:

States alleged Defendant made unsubstantiated health-related claims in the marketing of its toning shoes. N.C. received \$124,027.00 to be used for attorneys' fees and costs or consumer protection purposes.

Abbot Laboratories, Inc.:

States alleged Defendant engaged in off-label and other improper marketing practices when it marketed the drug Depakote. N.C. received \$4,024,047.00: \$3,449,047.00 for attorneys' fees and costs or consumer protection purposes; \$390,531.51 in restitution to the North Carolina State Health Plan for Teachers and State Employees; and \$184,468.49 in restitution to the North Carolina Division of Adult Correction.

DDAVP Antitrust Litigation (Ferring, Aventis):

States alleged that Ferring and Aventis engaged in an illegal scheme to delay the approval and sale of generic versions of a drug used to treat metabolism disorders. N.C. received \$105,009.81 for distribution of restitution to appropriate entities, attorneys' fees and costs, or antitrust and consumer protection purposes.

GlaxoSmithKline L.L.C., et al.:

States alleged Defendants produced defective drugs at Puerto Rican facility and engaged in improper marketing practices. N.C. received \$1,212,308.00 for attorneys' fees and costs or consumer protection purposes.

AstraZeneca:

States alleged that AstraZeneca engaged in off-label marketing and other improper marketing of the drug Seroquel. N.C. received \$2,428,009.00 for attorneys' fees and costs or consumer protection purposes.

DIRECTV, Inc.:

States alleged that DIRECTV engaged in improper marketing and other misconduct. N.C. received \$605,000.00 for attorneys' fees and costs or consumer protection purposes.

The Dannon Company, Inc.:

Multistate Consent Judgment. States alleged that The Dannon Company engaged in improper marketing practices. N.C. received \$861,111.11 for attorneys' fees and costs or consumer protection purposes.

Amerix Corporation, et al.:

Multistate Consent Judgment. States alleged that Defendants engaged in unfair and deceptive practices in the sale of debt management services to consumers. Defendants agreed to pay the States in four installments with the last payment due December 15, 2014. N.C. will receive \$139,166.65 for attorneys' fees and costs or consumer protection purposes.

Publishers Clearing House:

Multistate Supplemental Consent Judgment. States alleged that Publishers Clearing House engaged in deceptive advertising. This Supplemental Consent Judgment adds additional consumer protections and monetary provisions to an original Consent Judgment. N.C. received \$300,000.00 for attorneys' fees and costs or consumer protection purposes.