

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

STATE OF CALIFORNIA,

Plaintiff,

v.

**TEVA PHARMACEUTICAL
INDUSTRIES, LTD., et al.**

Defendants.

CIVIL ACTION

Case No. 19-3281

**PLAINTIFF STATE OF CALIFORNIA'S MOTION FOR ORDER
AUTHORIZING DISBURSEMENT OF THE CONSUMER FUND TO LATE
CLAIMANTS**

In accordance with the Order Granting Plaintiff State of California's Motion for Final Approval of the Consumer Settlement and Entry of the Stipulated State Injunction Order (Final Approval Order, ECF No. 33) and the Distribution Plan approved therein, and the subsequent Order Granting Plaintiff State of California's Motion for Order Authorizing Distribution of the Consumer Fund and Permitting Additional Late Claims ("First Distribution Order," ECF No. 38), Plaintiff State of California ("California") respectfully moves this Court for an Order:

- (i) Approving the administrative determinations and recommendations of Settlement Administrator A.B. Data, Ltd. ("AB Data") concerning the 249 Late Claims submitted by potential Eligible Consumers in this action as of January 9, 2023;
- (ii) Authorizing the disbursement of \$397,660.23 of the Consumer Fund to 174 claimants whose Late Claims have been validated by AB Data.¹

¹ All capitalized terms used in this motion have the same meaning as set forth in the Court-approved Settlement Agreement with its accompanying Escrow Agreement (Exhibit 3) and Distribution Plan (Exhibit 4) (Settlement Agreement, ECF No. 2-3 at pp. 8-107), and the Court's orders in this action.

This motion is supported by the accompanying Proposed Order and Declaration of Eric J. Miller with supporting Exhibits (“Miller Decl.”), and by the following:

1. Pursuant to the First Distribution Order, AB Data was authorized to disburse \$8,145,552.69 from the Consumer Fund to 6,169 claimants with valid Claim Forms. AB Data was also permitted to accept and process Late Claims submitted by potential Eligible Consumers as long as they were received before the final cutoff date of January 9, 2023. First Distribution Order, ECF No. 38.

2. Pursuant to the terms of the Consumer Settlement, the Consumer Fund continues to be held in an escrow account at The Huntington National Bank (“Huntington”). Escrow Agreement, ECF No. 2-3 at pp. 92-103. As of December 31, 2025, the Consumer Fund has \$18,672,767.79 available for disbursement, including accrued interest. This balance reflects an \$8,145,552.69 transfer made on October 31, 2022 to the California Teva Settlement Fund (“Distribution Account”), a distribution account that Huntington established to facilitate the disbursements authorized by the First Distribution Order. Miller Decl. ¶¶ 4 and 20.

3. On November 14, 2022, AB Data initiated the payments authorized by the First Distribution Order to 6,169 claimants. Miller Decl. ¶¶ 3 and 5.

4. After AB Data’s reasonable efforts to have Eligible Consumers cash their checks, checks made to 326 Eligible Consumers remained uncashed totalling \$460,271.25. As of January 21, 2026, the balance of the Distribution Account is \$460,271.25. Miller Decl. ¶¶ 6-11.

5. Regarding the submission of Late Claims permitted by the Court’s First Distribution Order, as of January 9, 2023, AB Data received a total of 249 Late Claims submitted by potential Eligible Consumers, and subsequently processed those claims. Miller Decl. ¶¶ 3, 12, 13, 17, and 18.

6. A total of 249 Claim Forms are subject to this motion. All have been reviewed and audited by AB Data. In consultation with Counsel for the State of California, AB Data sent notices to claimants in an effort to verify the claim and eligibility. AB Data sent these notices to the claimants about the deficiencies or ineligibility presented in their Claim Forms, or to request supporting documents. Miller Decl. ¶¶ 13-16.

7. AB Data completed the required claims administration and auditing processes. After applying the same criteria used to vet claims in the first distribution, AB Data recommends that 75 Late Claim Forms representing 10,141 prescriptions be found ineligible on the basis they are duplicative of another claim, lack a sufficient response by the claimant to AB Data's audit letter, and/or were submitted by known fraudulent filers. As to the remaining 174 Late Claims representing 12,423 prescriptions, AB Data has determined that they are legitimate claims and warrant direct cash payments by order of the Court. Miller Decl. ¶¶ 17 and 18.

8. Should the Court concur with AB Data's recommendations as to the 174 Late Claims it has validated, then in accordance with the Distribution Plan approved by the Court, AB Data recommends calculating each Eligible Consumer's payment at \$32.01 per prescription, for a total direct cash payment to the late claimants of \$397,660.23. Miller Decl. ¶¶ 19 and 20. AB Data recommends that these payments be made from the funds in the Distribution Account. Miller Decl. ¶ 17. Thereafter, the remaining balance in the Distribution Account of approximately \$62,611.02 will be redeposited into the Consumer Fund. Miller Decl. ¶ 20.

9. Upon approval by the Court, AB Data will promptly mail Eligible Consumers their appropriate share of the Distribution Account. These checks will have a stale date of ninety (90) days to encourage Eligible Consumers to promptly cash their distribution checks and to avoid or reduce future expenses related to unpaid distributions. For any checks returned as

undeliverable or not cashed, AB Data will make reasonable efforts to have Eligible Consumers cash their checks. At such time that Counsel for the State of California and AB Data have determined that reasonable efforts have been exhausted, but no earlier than one hundred twenty (120) days from the issuance of the checks, the payments to Eligible Consumers that have not been cashed will revert back to the Consumer Fund and be distributed through *cy pres* to public interest organizations as provided by the approved Distribution Plan. Miller Decl. ¶ 19.

10. Unless otherwise ordered by the Court, one (1) year after the initial distribution of the payments to Eligible Consumers, AB Data will destroy the paper and electronic copies of the claims and all supporting documentation. Miller Decl. ¶ 21.

11. The remaining balance in the Consumer Fund, less any funds needed to pay for additional taxes, costs, and administrative fees will be available for *cy pres*.² Miller Decl. ¶ 20.

12. For the foregoing reasons, California respectfully requests an Order (i) approving AB Data's administrative determinations and recommendations concerning the 174 validated Late Claims subject to this motion; and (ii) authorizing the distribution of \$397,660.23 from the Distribution Account to 174 claimants with approved Late Claims, as provided by the First Distribution Order permitting Late Claims herein.

13. Defendants do not oppose this motion.

² Pursuant to the terms of the approved Settlement Agreement, AB Data's administrative fees and costs are paid solely and directly from the State Proprietary Fund, and not from the Consumer Fund. ECF No. 2-3 at pp. 18-22.

Dated: January 30, 2026

Respectfully submitted,

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/s/ Winston H. Chen

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CERTIFICATE OF SERVICE

I hereby certify that on January 30, 2026, a true and correct copy of the foregoing document was electronically filed, will be available for viewing and downloading from the Court's ECF system, and will be served by CM/ECF upon all counsel of record.

/s/ WINSTON H. CHEN

WINSTON H. CHEN

