

MUTUAL SETTLEMENT AGREEMENT

1. This Mutual Settlement Agreement (“Agreement”) is entered into this 27th day of April 2021, by the State of Oklahoma (“Oklahoma”), acting by and through the Oklahoma Attorney General, on the one hand, and FFF Enterprises, Inc. (“FFF Enterprises”) on the other hand (collectively, “the Parties”).

I. Recitals

2. On or about March 13, 2020, a national emergency was declared in the United States of America due to the COVID-19 pandemic.

3. At the request of the State of Oklahoma, on or about April 7, 2020, FFF Enterprises procured bottles of 200MG hydroxychloroquine sulfate 100 count tablets (the “Products”) from Rising Pharma, the United States direct importer of record for the Products, for \$202.32 per bottle and sold those same Products to the Oklahoma State Department of Health (“OSDH”) through third-party intermediary Beggs Pharmacy for \$218.50 per bottle (“Purchase Price”). OSDH purchased a total of 12,000 Products for a Total Purchase Price of \$2,622,000.

4. OSDH purchased the Products pursuant to Executive Orders issued by the Governor and filed with the Secretary of State declaring an emergency in the State of Oklahoma during the COVID-19 pandemic.

5. The State of Oklahoma alleges that the Purchase Price paid for the Products may have been excessive pursuant to the Oklahoma Emergency Price Stabilization Act (“EPSA”) and/or the Oklahoma Consumer Protection Act (“OCPA”) 15 Okl. St. § 777.1 *et seq.*

6. The State of Oklahoma is no longer interested in owning or possessing the Products purchased from FFF Enterprises and has sought to return the Products in exchange for a refund of the Total Purchase Price.

7. FFF Enterprises denies any and all allegations related to the pricing and delivery of the Products to the State of Oklahoma.

8. In an effort to avoid the filing of a complaint or the adjudication of any issue of fact or law through protracted litigation, the Parties agree to settle, compromise, and resolve all issues and actual or potential disputes between them based on any and all claims or potential claims related to the sale and purchase of the Products.

II. Terms of Agreement

9. In accordance with the mutual covenants and agreements made herein, and with full authority to enter into this Agreement and to be bound thereby, the Parties agree as follows:

(a) This Agreement shall become effective upon the date of the last signature thereon.

(b) By entering into this Agreement, FFF Enterprises does not admit that it violated any federal statute, state statute, or common law and expressly denies any and all such allegations.

(c) FFF Enterprises shall refund the State of Oklahoma for all unused Products sold to the OSDH at the original Purchase Price of \$218.50 per bottle determined by the Parties to have been properly stored at a licensed location in conformity with manufacturer specifications and which remain within the Product's "use by" or "best by" date ("Refundable Product(s)"). Oklahoma shall allow FFF Enterprises the opportunity to inspect all Product either virtually and/or

through an in-person representative to confirm it has been properly stored at a licensed location, transferred, maintained, and is in good condition sufficient to be returned to the seller, manufacturer, and/or sold to another third party. Any Product that has not been properly stored, transferred, maintained, and/not in good condition is not required to be refunded pursuant to this Agreement. FFF Enterprises shall inspect the Product within seven (7) days of this Agreement being executed by the last signator and shall advise in writing Oklahoma within three (3) days after such inspections if FFF Enterprises considers any Product not to be Refundable Product. If no Product is identified by FFF Enterprises during this inspection period, FFF Enterprises will take custody of all Product purchased and the Total Purchase Price will be refunded. Concurrent with execution of this Agreement, the State of Oklahoma shall provide FFF Enterprises with a list of all physical address where the product was stored, temperatures logs for each storage location, copies of the licenses for all storage locations, as well as photos of each storage location including but not limited to Beggs Pharmacy.

(d) FFF Enterprises will refund the Purchase Price of the Refundable Products, as determined by Paragraph 9(c), to the State of Oklahoma through five (5) equal payments spread across five (5) quarters with the first payment being due within 21 days after FFF Enterprises obtains custody of the Products. The dates for the quarterly payments shall be computed as 3 month intervals from the date of the first payment. For instance, if the first payment is made on May 21, 2021, the next four payments would be made on August 21, 2021, November 21, 2021, February 21, 2022 and May 21, 2022. FFF Enterprises shall be considered to have taken custody of the Refundable Products when its shipper of choice takes possession of the Refundable Products. The State of Oklahoma is responsible for all shipping charges or fees.

(e) The Parties shall meet and confer to discuss and agree upon any mutually agreeable language for any future press release or public comment regarding the aforementioned matters including the sale, refund, and settlement.

(f) In consideration of the full and timely payment of the sum agreed upon in this Agreement and material compliance with any and all of the other above described terms and conditions, the State of Oklahoma fully and finally waives, releases, and promises to refrain from instituting any claim, action, charge, suit, or proceeding that has been asserted or could have been asserted by or on behalf of the State of Oklahoma against FFF Enterprises, or its subsidiaries, officers, directors, agents, and employees, arising from or related to the pricing and delivery of the Products.

(g) In consideration of the full and timely material compliance with all terms in this Agreement, FFF Enterprises waives, releases, and promises to refrain from instituting any claim, action, charge, suit, or proceeding against the State of Oklahoma or its state agencies, including but not limited to OSDH, or its officers, agents, and employees, arising from or related to the pricing and delivery of the Products.

10. Oklahoma and FFF Enterprises shall each bear its own costs, expenses, and fees, including attorneys, accountants, and/or any expert witness fees which have been or may be incurred in connection with the investigation and settlement of this matter.

11. This Agreement shall be construed in accordance with the laws of the State of Oklahoma, and either Party may seek judicial enforcement of this Agreement upon a material breach by the other Party. The Parties agree that the proper jurisdiction and venue for any dispute

arising between and among the Parties regarding this Agreement shall be Oklahoma County, Oklahoma.

12. Time is of the essence in this Agreement.

13. Each person who signs this agreement in a representative capacity represents and warrants they are duly authorized by their respective clients to do so and to bind the corresponding Party hereto.

14. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. Copies or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

15. This Agreement constitutes the full and complete agreement between the Parties. Any modifications to this Agreement shall be set forth in writing and signed by all the Parties. In any action undertaken by the Parties, no prior versions of this Agreement may be introduced or relied upon for any purpose whatsoever.

16. All Notices under this Agreement shall be provided to the following via email and Overnight Mail:

Attorney General: Erin Moore, Assistant Attorney General
313 N.E.21st Street
Oklahoma City, OK 73105
Erin.moore@oag.ok.gov

FFF Enterprises: Karen Winnett, General Counsel
44000 Winchester Road
Temecula, California 92590
KWinnett@fffenterprises.com


Dated: April 27, 2021

The State of Oklahoma

By: 
MIKE HUNTER
Attorney General of the State of Oklahoma

Dated: April 29, 2021

FFF Enterprises, Inc.

By: 
Patrick M. Schmidt
Chief Executive Officer
44000 Winchester Road
Temecula, California 92590