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June 29, 2022

Check # 213810
Date 6/30/22
Amt \$ 25,000.00
LPI # 893504

WJ

VIA FED EX

Louisiana Department of Insurance
c/o Soncere Smith Clark
1702 North Third Street
Baton Rouge, LA 70804-9214

RE: In the matter of Pharmacy First, Docket No. 2022 0444 INS

Dear Ms. Clark:

On behalf of my client Pharmacy First, enclosed please find a signed Consent Agreement and Check No. 213810 representing payment of the reduced fine of \$25,000.00. I am also including a copy of the original Notice of Fine per the instructions that I received from Scott Whitford on April 20, 2022. Please countersign the Consent Agreement and return a fully executed copy to me at your earliest convenience.

We appreciate your office's cooperation in resolving this matter.

Very truly yours,



Winthrop B. Reed, III

cc: Bill Shea (bill.shea@arlaw.com)

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REVENUE SERVICES
COMMISSIONER OF INSURANCE

Established 1909

CONSENT AGREEMENT
BETWEEN
THE LOUISIANA DEPARTMENT OF INSURANCE
AND
WHOLESALE ALLIANCE, L.L.C. d/b/a PHARMACY FIRST

This Consent Agreement ("Agreement") is entered into by and between the Louisiana Department of Insurance ("LDI") and Wholesale Alliance, L.L.C. d/b/a Pharmacy First (jointly referred to herein as "the parties").

WHEREAS, Wholesale Alliance, L.L.C. d/b/a Pharmacy First ("Pharmacy First") is a Pharmacy Services Administration Organization ("PSAO") domiciled in the state of Delaware;

WHEREAS, pursuant to the Louisiana Legislature's enactment of Act No. 192, which amended Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950 to enact La. R.S. 22:821(B)(39) and Part III(A) PHARMACY SERVICES ADMINISTRATION ORGANIZATIONS, comprised of La. R.S. 22:1660.1 through La. R.S. 22:1660.9, PSAOs must comply with Louisiana licensing requirements that became effective on August 1, 2021;

WHEREAS, it is alleged that since August 1, 2021, the effective date of the enactment of Act No. 192, Pharmacy First failed to timely submit its application to act as a PSAO in the state of Louisiana;

WHEREAS, on or about December 17, 2021, due to the information and documentation in his possession, the Commissioner of Insurance, in accordance with La. R.S. 22:1(A)(1); La. R.S. 22:18(A); La. R.S. 22:1660.2(A); La. R.S. 22:1660.4(B)(1); and La. R.S. 22:1660.9(E), issued a Notice of Fine in the amount of \$69,500.00 directed to Pharmacy First for allegedly failing to obtain proper licensure;

WHEREAS, pursuant to La. R.S. 22:2191, on January 18, 2022, Pharmacy First timely filed an administrative appeal with the Division of Administrative Law of the Notice of Fine issued by the Commissioner of Insurance, bearing docket number 2022-0444-INS;

WHEREAS, prior to the filing of its appeal, Pharmacy First applied to the LDI for licensure on December 28, 2021, to conduct business as a PSAO in the state of Louisiana;

WHEREAS, the LDI thereafter issued Pharmacy First a license to conduct business in the state of Louisiana as a PSAO on June 7, 2022;

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WHEREAS, Pharmacy First agrees that it will take proper measures to ensure compliance with La R S 22:1, *et seq* and any rules, regulations and guidance promulgated and/or issued therefrom to avoid further regulatory action by the LDI;

WHEREAS, as of this writing, Pharmacy First has provided all information and documentation requested by the LDI, and there are no outstanding issues or document requests related to the application submitted by Wholesale Alliance, L.L.C. d/b/a Pharmacy First;

WHEREAS, it is the intent of the parties to fully compromise and resolve this matter.

NOW THEREFORE, in consideration of the foregoing, the receipt, adequacy, and sufficiency of which is acknowledged, and intending to be legally bound to fully compromise and resolve this matter, the LDI, appearing herein through Deputy Commissioner Matthew B. Stewart, and Pharmacy First, appearing herein through undersigned representative, hereby stipulate and agree to the following:

1. Pharmacy First acknowledges receipt of the Notice of Fine and the allegations set forth therein.
2. The LDI agrees to reduce the \$69,500.00 fine issued against Pharmacy First.
3. Pharmacy First agrees to pay a reduced civil fine in the amount of \$25,000.00 in the form of a check payable to the LDI which shall be remitted within thirty (30) days of the execution of this Agreement.
4. Pharmacy First acknowledges that this Consent Agreement is an administrative action that the LDI will report to the National Association of Insurance Commissioners. Pharmacy First acknowledges that it may be responsible for reporting and disclosing this action to other states, agencies, and/or parties in accordance with applicable state laws.
5. Pharmacy First acknowledges that by entering into this Agreement, it waives its appearance and any other rights it may have to an adjudicatory hearing, and further agrees to withdraw its administrative appeal filed with the Division of Administrative Law and to dismiss this action with prejudice.
6. This Agreement constitutes the resolution of a disputed matter. The LDI and Pharmacy First agree that this Agreement is a final settlement of the matter referred to above. Pharmacy First acknowledges that the LDI reserves the right to revoke and rescind this Agreement, and take whatever action it deems necessary, as permitted under applicable law,

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if information should come to the attention of the LDI that provides credible evidence that Pharmacy First did not fully and completely disclose to the LDI all of the information and documentation requested by the LDI and upon which the LDI based its decision. In the event that the LDI seeks to revoke or rescind this Agreement, Pharmacy First shall be entitled to either an administrative hearing pursuant to La. R.S. 22:2191 or to seek redress in a court of competent jurisdiction.

This Agreement shall be effective upon the last date signed by all parties. This Consent Agreement may be executed in multiple copies, each of which shall be considered an original.

By signature below, the parties have read and understand the foregoing terms and agree to them as of the last date signed below.

BY: Robert Dickey
Robert Dickey, Chief Executive Officer
Wholesale Alliance, L.L.C. d/b/a Pharmacy First

DATE: 2022-06-22

BY: Matthew B. Stewart
Matthew B. Stewart, Deputy Commissioner
Office of Licensing, Louisiana Department of Insurance

DATE: 7/1/2022

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