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**ATTORNEY GENERAL**

**STATE OF NORTH CAROLINA**  
**DEPARTMENT OF JUSTICE**

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June 20, 2022

North Carolina Senate President Pro Tempore Phil Berger  
North Carolina House of Representatives Speaker Tim Moore  
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Danny Earl Britt, Jr.  
Senator Warren Daniel  
Representative James Boles, Jr.  
Representative Allen McNeill  
Representative Carson Smith  
Co-Chairs, Appropriations Subcommittee on Justice and Public Safety

North Carolina General Assembly  
Raleigh, North Carolina 27601-1096

RE: N.C.G.S. §§ 114-2.4A and §114-2.5; Report on Settlements

Dear Members:

**The Electric Tobacconist**

This consent judgment settled North Carolina's allegations that The Electric Tobacconist LLC engaged in unfair and deceptive trade practices by designing e-cigarette products to appeal to youthful audiences, using marketing strategies it knew would attract minors, and failing to provide proper and statutorily mandated age-verification techniques for internet sales. Electric Tobacconist agreed to pay a total of \$275,000.00 paid over four years to be used, to the maximum extent practicable, to fund ENDS Cessation programs, ENDS Prevention Programs, ENDS Research, and to cover the costs of litigation.

**Opioid Settlements**

This includes a series of consent judgments with Janssen Pharmaceuticals, Inc.; Johnson & Johnson;

Cardinal; McKesson; and AmericsourceBergen that relate to opioid settlements and will be used to fund the Opioid Abatement Reserve. This agreement was originally settled on in July 2021 and was filed with the court in April 2022 after all one hundred NC counties and many local governments signed onto the related memorandum of agreement. The attorneys' general reached a \$26 billion agreement to resolve investigations and litigation over the companies' roles in creating and fueling the opioid epidemic, resolving claims of both states and local governments across the country, including lawsuits filed in federal and state courts. The three distributors will pay up to \$21 billion over 18 years, and Janssen will pay up to \$5 billion over 9 years with the substantial majority of the money to be spent on opioid treatment and prevention. North Carolina state and local governments will receive approximately \$750 million over 18 years. Additionally, the distributors agreed to enact ten-year plans agreeing to steps that will aimed at providing distributors and state regulators with more transparent information on where drugs are going and how often and requiring better oversight and anti-diversion efforts by the corporations. Janssen agreed to stop selling opioids and to share clinical trial data with the Yale University Open Data Access Project.

#### **Navient Corporation**

This consent judgement settled a multistate investigation into Navient and resolved allegations of widespread unfair and deceptive student loan servicing and predatory lending practices. Navient allegedly made risky subprime loans disregarding the best interests of borrowers and their families. As part of the agreement, Navient agreed to cancel nearly \$1.7 billion in subprime student loans, of which North Carolina borrowers will receive \$33,352,530 in debt cancellation; pay nearly \$95 million in restitution, of which North Carolina borrowers will receive \$3,259,086; and pay \$142.5 million to the attorneys general, of which North Carolina received \$831,918.18 to be used for costs and attorneys' fees, as allowed by law at the discretion of the Attorney General. Additionally, Navient agreed to explain the benefits of income-driven repayment and offer estimated payments before making changes or offering forbearance, and counsel public service workers concerning the Public Service Loan Forgiveness and related programs.

We will be happy to respond to any questions you may have regarding this report.

Very truly yours,



Seth Dearmin  
Chief of Staff

SD:ml

cc: Sean Hamel, NCGA Fiscal Research Division  
Mark White, NCGA Fiscal Research Division  
Morgan Weiss, NCGA Fiscal Research Division