

**REGULATORY STIPULATION**

BE IT KNOWN, on dates herein below specified, came, and appeared:

LOUISIANA DEPARTMENT OF INSURANCE

AND

LEADER DRUGSTORES, INC.

(Producer License No. 927692)

WHEREAS, on January 27, 2021, the LDI, as a result of an investigation and documentation in possession of the Louisiana Department of Insurance, determined that Leader Drugstores, Inc., violated certain provisions of the Louisiana Insurance Code, Title 22, La. R.S. 22:1 *et. seq.*, therefore, the Commissioner of Insurance issued a NOTICE OF FINE Order based on the following:

WHEREAS, effective on August 1, 2021, and 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, in order 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 1660.9, pharmacy service administrative organizations (PSAOs) now have Louisiana licensing requirements to comply with.

WHEREAS, Leader Drugstores, Inc. has been acting as a PSAO in Louisiana since 1996.

WHEREAS, since August 1, 2021, the effective date of the statute, the Company failed to submit the application to act as a PSAO in the state of Louisiana until June 16, 2022; and thus, was non-compliant with the Louisiana Insurance Code.

WHEREAS, in accordance with La. R.S.22:1660.2, the Louisiana Commissioner of Insurance and the LDI hereby imposed upon Leader Drugstores, Inc. a fine in the amount of \$69,500.00, and ordered it to pay the full amount immediately.

WHEREAS, it is the intent of Leader Drugstores, Inc. and the LDI to fully compromise and resolve this matter.

**NOW THEREFORE**, to fully compromise and resolve this matter:

The LDI, appearing herein through Nathan Strebeck, Deputy Commissioner, Office of Insurance Fraud, and Leader Drugstores, Inc., appearing through its authorized representative Franklin J. Foil, Esq., hereby stipulate and agree to the following:

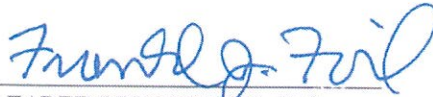
- 1) Leader Drugstores, Inc., without admitting to any possible alleged violation of La. R.S. 22:1660.2, regarding its failure to timely file an application to act as a PSAO in Louisiana, until June 16, 2022, is currently back in good standing with a license to operate in the state of Louisiana and providing important health services to the citizens of Louisiana.
- 2) Leader Drugstores, Inc., without admitting to any possible alleged violation of La. R.S. 22:1660.2, was found to be non-compliant with the Louisiana Insurance Code for operating a PSAO in Louisiana until June 16, 2022, by the Louisiana Department of Insurance.
- 3) Leader Drugstores, Inc., without admitting to any possible alleged violation of La. R.S. 22:1660.2, the Louisiana Commissioner of Insurance and the Louisiana Department of Insurance, have agreed to fully compromise and resolve this matter and to assess a fine of

\$50,000.00, to be paid by Leader Drugstores, Inc. considering its long history of providing critical health services to the citizens of Louisiana.

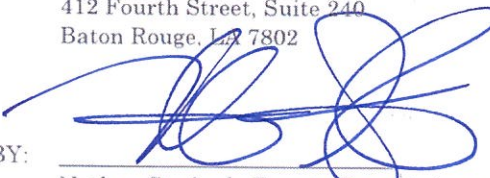
- 4) Leader Drugstores, Inc. acknowledges that this Regulatory Stipulation constitutes an administrative action and that it may be reported to the National Insurance Producer Registry by the LDI.
- 5) Leader Drugstores waives appearance and any other rights it may have to an adjudicatory hearing regarding the administrative fine action established in and assessed by this Regulatory Stipulation.

This Regulatory Stipulation shall take effect on the last date it is signed by all parties, and all signatories below warrant that they have the authority and capacity to enter into this Agreement.

This Regulatory Stipulation may be executed in multiple copies, each of which shall be considered an original

BY:   
LEADER DRUGSTORES, INC.,  
by its authorized representative,  
Franklin J. Foil, Esq.  
412 Fourth Street, Suite 240  
Baton Rouge, LA 7802

DATE: 7/24/23

BY:   
Nathan Strebeck, Deputy Commissioner  
Office of Insurance Fraud  
Louisiana Department of Insurance  
1702 N. Third Street  
Baton Rouge, LA 70802

DATE: 7/24/2023