

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Jon Leibowitz, Chairman**
 J. Thomas Rosch
 Edith Ramirez
 Julie Brill
 Maureen K. Ohlhausen

In the Matter of

Cooperativa de Farmacias Puertorriqueñas
(Coopharma),
 a corporation.

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Docket No. C-

described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and issues the following Order:

1. The Cooperativa de Farmacias Puertorriqueñas is a not-for-profit corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Puerto Rico with its principal address at 2 Calle Colon, Aguada, Puerto Rico 00602.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Respondent” means the Cooperativa de Farmacias Puertorriqueñas (“Coopharma”); its officers, directors, employees, agents, attorneys, representatives, successors, and assigns; and subsidiaries, divisions (including, but not limited to, the PSAO Department), groups, and affiliates controlled by it; and the respective officers, directors, employees, agents, attorneys, representatives, successors, and assigns of each.
- B. “Distribute” means to provide a copy of the specified documents by (1) personal delivery to the Respondent.

G. “Preexisting Contract” means a contract for the provision of Pharmacy services that was in effect on the date of the receipt by a Payer that is a party to such contract of notice sent by Respondent pursuant to Paragraph III.A.2 of this Order of such Payer’s right to terminate such contract.

II.

IT IS FURTHER ORDERED that Respondent, directly or indirectly, or through any corporate or other device, in connection with the provision of Pharmacy services in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, cease and desist from:

III.

IT IS FURTHER ORDERED that Respondent shall:

- A. Within thirty (30) days from the date this Order becomes final:
1. Distribute this Order and the Complaint to each current officer, director, member, or employee of Respondent; and
 2. Send by first-class mail, with return receipt requested, with the letter attached as the Appendix, to the chief executive officer of each Payer with which Respondent has contracted at any time since January 1, 2008.
- B. Terminate, without penalty or charge, and in compliance with any applicable laws, any Preexisting Contract with any Payer, at the earlier of: (1) receipt by Respondent of a written request from a Payer to terminate such contract, or (2) the earliest termination or renewal date (including any automatic renewal date) of such contract.

PROVIDED, HOWEVER, a Preexisting Contract may extend beyond any such termination or renewal date no later than one (1) year from the date that the Order becomes final if, prior to such termination or renewal date:

- (1) the Payer submits to Respondent a written request to extend such contract to a specific date no later than one (1) year from the date that this Order becomes final, and
- (2) Respondent has determined not to exercise any right to terminate.

PROVIDED FURTHER that any Payer making such request to extend a contract retains the right, pursuant to Paragraph III.B of this Order, to terminate the Preexisting Contract at any time.

- C. Within ten (10) days of receiving notification from a Payer to terminate, pursuant to Paragraph III.B of the Order, notify in writing, by first class mail with return receipt requested, each Pharmacy that provides services through that contract to be terminated.
- D. For three (3) years from the date this Order becomes final:
1. Distribute this Order and the Complaint to each Person who becomes an officer, director, member, or employee of Respondent, and who did not previously receive a copy of this Order and the Complaint, within thirty (30) days of the time that he or she becomes an officer, director, member, or employee;

2. send by first class mail, return receipt requested, a copy of this Order and the Complaint to each Payer who contracts with Respondent for the provision of Pharmacy services and who did not previously receive a copy of this Order and the Complaint, within thirty (30) days of the time that such Payer enters into such contract; and
3. post and maintain on Respondent's website and annually publish in an official annual report or newsletter sent to all Pharmacy members of Respondent, this Order and the Complaint with such prominence as is given to regularly featured articles.

IV.

IT IS FURTHER ORDERED that Respondent shall:

- A. File a verified written report within sixty (60) days from the date this Order becomes final, annually thereafter for three (3) years on the anniversary of the date this Order becomes final, and at such other times as the Commission may by written notice require. Each report shall include:
 1. a detailed description of the manner and form in which Respondent has complied and is complying with this Order;
 2. the name, address, and telephone number of each Payer with which each Respondent has had any contact during the one (1) year period preceding the date for filing such report; and
 3. the status of each contract required to be terminated;
- B. In addition to the information required by Paragraph IV.A, the sixty day report shall include:
 1. the identity of each Payer sent a copy of the letter in the Appendix to the Order and the response of each Payer to that letter;
 2. a copy of each verification of Distribution required by Paragraph III.A.1; and
 3. a copy of each return receipt required by Paragraph III.A.2 and Paragraph III.C
- C. In addition to the information required by Paragraph IV.A, each annual report shall include:
 1. a copy of each verification of Distribution required by Paragraph III.D.1;
 2. a copy of each return receipt required by Paragraph III.C that Respondent received subsequent to filing its 60 day report.
 3. a copy of each return receipt required by Paragraph III.D.2; and

4. evidence that the copy of the Order and Complaint has been published, as required by Paragraph III.D.3.

V.

IT IS FURTHER ORDERED that Respondent shall notify the Commission:

- A. Of any change in its primary business address within twenty (20) days of such change in address; and
- B. At least thirty (30) days prior to any proposed: (1) dissolution of Respondent; (2) acquisition, merger, or consolidation of Respondent; or (3) any other change in Respondent including, but not limited to, assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

VI.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days notice to Respondent, that Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during office hours of Respondent, and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and all other records and documents in the possession, or under the control, of Respondent relating to compliance with this Order, which copying services shall be provided by Respondent at its expense;
- B. To interview officers, directors, or employees of Respondent, who may have counsel present, regarding such matters.

VII.

IT IS FURTHER ORDERED that this Order shall terminate on _____, 2032. [Fill in 20 years after date it is issued.]

By the Commission.

Donald S. Clark
Secretary

SEAL
ISSUED:

