



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

**Department Name:** County Counsel  
**Department No.:** 013  
**Agenda Date:** September 23, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director(s): Rachel Van Mullem, County Counsel  
Contact: Rachel Van Mullem  
**SUBJECT:** **Adoption of Resolutions Authorizing County Counsel to Partially Settle the litigation *County of Santa Barbara v. Purdue Pharma, et al.* (Case No. 1:17-MD-2804) with Purdue/Sackler Family and Eight Opioid Manufacturers**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: Choose an item.

**Auditor-Controller Concurrence**

As to form: Choose an item.

**Recommended Actions:**

- a) Adopt a Resolution that approves and authorizes County Counsel or her designee to execute the following agreements to partially settle the litigation *County of Santa Barbara and the People of the State of California v. Purdue Pharma, et al.* (Case No. 1:17-MD-2804) as to defendants Purdue Pharma and the Sacklers:
  - i. Subdivision Participation and Release Form which includes a release of all claims against Purdue Pharma and the Sackler family and its "Released Entities" for their conduct complained of in the litigation; and
  - ii. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds, which shall enable the County of Santa Barbara to receive and direct the use of a portion of settlement funds distributed to the State of California for approved opioid abatement activities; and
  - iii. California-Subdivision Backstop Agreement, which will allow the County to pay the contingency fees of Outside Counsel Keller Rohrback from the recovered settlement funds in an amount not to exceed 15% of the County's recovery plus costs.
- b) Adopt a Resolution that approves and authorizes County Counsel or her designee to execute the following agreements to partially settle the litigation *County of Santa Barbara and the*

*People of the State of California v. Purdue Pharma, et al.* (Case No. 1:17-MD-2804) as to defendants: Alvogen, Inc.; Amneal Pharmaceuticals, Inc.; Apotex Inc.; Hikma Pharmaceuticals USA Inc.; Indivior Inc.; Mylan Pharmaceuticals Inc.; Sun Pharmaceutical Industries, Inc.; and Zydus Pharmaceuticals (USA), Inc. (collectively, “the G8” Settlement):

- i. Subdivision Participation and Release Form which includes a release of all claims against the G8 and their “Released Entities” for their conduct complained of in the litigation; and
  - ii. Eight proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds, one for each of the G8 parties, which shall enable the County of Santa Barbara to receive and direct the use of a portion of settlement funds distributed to the State of California for approved opioid abatement activities; and
  - iii. California-Subdivision Backstop Agreement, which will allow the County to pay the contingency fees of Outside Counsel Keller Rohrbach from the recovered settlement funds in an amount not to exceed 15% of the County’s recovery plus costs.
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5) because they consist of government administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

This item is on the agenda for the Board of Supervisors to adopt two Resolutions (Attachment A and Attachment F). The first Resolution is authorizing partial settlement of the lawsuit filed on behalf of the County of Santa Barbara and the People of the State of California as to Purdue Pharma and the Sackler family and its Released Entities as that phrase is defined in the Purdue Settlement Agreement (hereafter referred to as “Purdue”). The second Resolution is authorizing further partial settlement of the lawsuit as to the G8 and their Released Entities as that phrase is defined in the G8 Settlement. Through execution of the Subdivision Participation and Release Forms (Attachment B and Attachment G), the County would receive settlement funds via the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds. (Attachment C [Purdue subdivision agreement] and Attachments H-O [G8 subdivision agreements] and Attachment D and Attachment P [Appendix 1 to the subdivision agreements].) The California-Subdivision Backstop Agreement (Attachment E and Attachment Q) would authorize outside counsel to recover its attorneys’ fees and costs first from Purdue/Sackler and G8 Attorneys’ Fees and Costs Funds and then, if outside counsel has not fully recovered from that Fund, through the County-received funds up to 15% of the County’s settlement recovery.

**Background:**

At the Board of Supervisors’ direction, the Office of County Counsel, with the assistance of outside counsel Keller Rohrbach L.L.P., initiated litigation against distributors and manufacturers of prescription opioids to recover the County’s damages from opioid drug misuse caused by the deceptive marketing and sale of prescription opioids, and to obtain other remedies to mitigate the problem going forward. The lawsuit, filed on February 15, 2019 and incorporated into the opioid Multi-District Litigation in the Northern District of Ohio, alleges that defendants created a public nuisance, and violated California’s Unfair Competition and the False Advertising laws by distributing large volumes of opioids in Santa Barbara County despite knowledge of the growing epidemic caused by opioid misuse, and by failing to prevent and report suspicious opioid orders as required by State and Federal law.

On December 14, 2021, the Board of Supervisors adopted a Resolution to partially settle the lawsuit with opioid manufacturers and distributors Amerisource Bergen Corporation, Cardinal Health, Inc., McKesson Corporation, and Janssen Pharmaceuticals, doing business as Johnson & Johnson (Distributor and Janssen settlement). Through the Distributor and Janssen settlement, the County of Santa Barbara is estimated to receive between \$9.5 million and \$22.6 million over 18 years. The County received its first Distributor and Janssen settlement payment in November 2022.

On April 4, 2023, the Board of Supervisors adopted a Resolution to partially settle the lawsuit with Allergan and TEVA, and pharmacy chains CVS, Walgreens, Walmart (the Pharmacy settlement). Through the Pharmacy settlement, the County of Santa Barbara is estimated to receive between \$7.4 to \$18 million over 15 years. The County received its first Pharmacy settlement payment in August 2024.

On July 16, 2024, the Board of Supervisors adopted a resolution to partially settle the lawsuit with Kroger (Kroger Settlement). Through the Kroger Settlement, the County of Santa Barbara is estimated to receive \$1.2 million over 11 years. The County received its first Kroger settlement payment in July 2025.

Through the Purdue/Sackler settlement, the State of California is estimated to receive up to \$440 million, with the County of Santa Barbara estimated to receive up to \$4.4 million over 15 years. The State has agreed to remit 70% of the funds it receives to local jurisdictions to be used on approved future opioid remediation and high impact abatement activities and to remit an additional 15% of the funds to local jurisdictions that initiated litigation to cover the fees and costs of that litigation and for approved abatement activities.

In order for the County to receive funds directly from the Purdue Settlement, it must “opt in” through execution of the Purdue Settlement Participation form and the California State Subdivision Agreement by September 30, 2025. “Opting in” to the settlement agreement releases all claims against Purdue and the Sackler family for its past actions related to opioids complained of in the litigation. Under the settlement agreement, Purdue is subject to injunctive relief and the Sacklers have agreed to cease opioid sales in the United States and relinquish ownership of Purdue Pharma.

Through the totality of the G8 Settlement, the State of California is estimated to receive up to \$62.7 million in opioid abatement funds, with the County of Santa Barbara estimated to receive up to approximately \$700,000 over 10 years. As with the Purdue Settlement, the State has agreed to remit 70% of the funds it receives to local jurisdictions to be used on approved future opioid remediation and high impact abatement activities and to remit an additional 15% of the funds to local jurisdictions that initiated litigation to cover the fees and costs of that litigation and for approved abatement activities

In order for the County to receive funds directly from the G8 Settlement, it must “opt in” through execution of the G8 Settlement Participation form and each of the eight California State Subdivision Agreements by October 8, 2025. “Opting in” to the settlement releases all claims against the G8 parties for its past actions related to opioids complained of in the litigation.

The County’s contingency fee agreement with Keller Rohrback allows for a 17% contingency fee. However, the U.S. District Court Judge overseeing the opioid Multi District Litigation declined to presume that private counsel contingency fee agreements of more than 15% would be considered “reasonable.” As a result, both the Purdue Settlement and G8 Settlements require that any outside

counsel who seeks recovery through either the Purdue or the G8 Attorney Fee Fund, must also agree to cap their contingency fees to 15%. If there are not sufficient funds in the Attorney Fee Fund, outside counsel Keller Rohrbach would be eligible to receive additional fees up to the 15% contingency fee limit from the settlement funds received by the County as a litigating jurisdiction under the Backstop Agreements.

**Performance Measure:**

N/A

**Contract Renewals and Performance Outcomes:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted: N/A

**Fiscal Analysis:**

Annual receipt of funds will be dealt with through the County's annual budget process or through budget revisions, as applicable.

**Key Contract Risks:**

The County must prepare and file annual reports on the use of the funds it receives, which may be audited by the Department of Health Care Services, subject to a five-year statute of limitations from the date on which the expenditure of the funds is reported. The County must expend or encumber the Purdue and G8 Settlement funds within 5 years of receipt, or 7 years for capital outlay projects, otherwise the funds will be transferred back to the State.

**Staffing Impacts:**

None.

**Special Instructions:**

Please forward the Minute Order and a signed copy of the Resolutions to Sara Brucker at [sbrucker@countyofsb.org](mailto:sbrucker@countyofsb.org).

**Attachments:**

- A. Resolution re: Purdue/Sackler
- B. Subdivision Participation and Release Form
- C. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds
- D. Appendix 1 to the Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds
- E. Backstop Agreement (Appendix 2 to the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds)
- F. Resolution re: G8
- G. Subdivision Participation and Release Form
- H. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Alvogen, Inc.
- I. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Amneal Pharmaceuticals LLC.
- J. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Apotex Corp.

- K. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Hikma Pharmaceuticals USA Inc.
- L. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Indivior Inc.
- M. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Mylan Pharmaceuticals Inc.
- N. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Sun Pharmaceuticals Industries, Inc.
- O. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Zydus Pharmaceuticals (USA), Inc.
- P. Appendix 1 to the Proposed California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds
- Q. Backstop Agreement (Appendix 2 to the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds)

**Contact Information:**

Rachel Van Mullem  
County Counsel  
Rvanmull@countyofsb.org