

**RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA STATE OF CALIFORNIA**

RESOLUTION NO. 23-69

**IN THE MATTER AUTHORIZING PARTIAL
SETTLEMENT OF THE LAWSUIT FILED ON
BEHALF OF THE COUNTY OF SANTA
BARBARA AND THE PEOPLE OF
CALIFORNIA AGAINST PRESCRIPTION
OPIOID DISTRIBUTORS AND
MANUFACTURERS, ACCEPTANCE OF
FUNDS THROUGH THE CALIFORNIA
STATE ALLOCATION AGREEMENT, AND
EXECUTION OF BACKSTOP
AGREEMENTS WITH OUTSIDE COUNSEL**

WHEREAS, on December 11, 2018, the Santa Barbra County Board of Supervisors (Board of Supervisors) approved and authorized the Office of County Counsel to initiate 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 this issue going forward;

WHEREAS, on January 8, 2019, the Board of Supervisors approved and authorized the contingent-fee outside counsel agreement with the law firm of Keller Rohrback, L.L.P. to assist with this litigation;

WHEREAS, on February 15, 2019, the Office of County Counsel with the assistance of Keller Rohrback filed litigation on behalf of the County and in the name of the People of California in the United States District Court for the Central District of California, which was consolidated into the nationwide Multi-District Litigation in the United States District Court for the Northern District of Ohio (Case No. 1:17-MD-2804). Defendants in the lawsuit include Purdue Pharma, L.P.; Purdue Pharma, Inc.; The Purdue Frederick Company, Inc.; Endo Health Solutions Inc.; Endo Pharmaceuticals, Inc.; Janssen Pharmaceuticals, Inc.; Johnson & Johnson; Teva Pharmaceuticals Industries, Ltd.; Teva Pharmaceuticals USA, Inc.; Cephalon, Inc.; Allergan PLC f/k/a Actavis PLC; Allergan Finance, LLC f/k/a Actavis, Inc. f/k/a Watson Pharmaceuticals, Inc.; Watson Laboratories, Inc.; Actavis LLC; Actavis Pharma, Inc. f/k/a Watson Pharma, Inc.; Mallinckrodt plc; Mallinckrodt, LLC; SpecGX LLC; Cardinal Health, Inc.; McKesson Corporation; AmerisourceBergen Drug Corporation; Par Pharmaceutical Companies, Inc.; Par Pharmaceutical, Inc.; Mylan Pharmaceuticals, Inc.; West-Ward Pharmaceutical Corp.; Hikma Pharmaceuticals PLC; Walgreens Boots Alliance Inc. a/k/a Walgreen Co; Thrifty Payless, Inc.; Rite Aid Corporation; Richard S. Sackler; Jonathan D. Sackler; Mortimer D.A. Sackler; Kathe A. Sackler; Ilene Sackler Lefcourt; Beverly Sackler; Theresa Sackler; David A. Sackler; Trust for the Benefit of Members of the Raymond Sackler Family; Rhodes Pharmaceuticals L.P.; Rhodes Technologies Inc.; Rhodes Pharmaceuticals Inc.; Rhodes Technologies; Walmart, Inc.; CVS Health Corporation; CVS Pharmacy Inc.; and CVS RX Services, Inc. (the "lawsuit");

WHEREAS, the lawsuit alleges that defendants created a public nuisance, and violated the California 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;

WHEREAS, in late 2022, pharmacy chains CVS Health Corporation and CVS Pharmacy, Inc. (“CVS”), Walgreens Co. (“Walgreens”), and Walmart Inc. (“Walmart”), along with opioid manufacturers Allergan Finance LLC (f/k/a Actavis, Inc., f/k/a Watson Pharmaceuticals, Inc.) and Allergan Limited (f/k/a Allergan plc, f/k/a Actavis plc) (“Allergan”), and Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., the Actavis Generic Entities, and Anda Inc. (“Teva”) (hereafter collectively referred to as “Settling Defendants”) offered to settle the lawsuits against them (“New National Opioid Settlements”) and the State of California thereafter accepted the offer to settle;

WHEREAS, 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;

WHEREAS, the State of California is estimated to receive between \$738 Million to \$1.8 Billion in abatement funds from the Settling Defendants with the County of Santa Barbara estimated to receive between \$7.4 to \$18 Million over 15 years;

WHEREAS, in order for the County to receive these funds, it must elect to participate in the New National Opioid Settlements through execution of Subdivision and Special District Settlement Participation Forms for the Settling Defendants and execute the California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds before April 18, 2023;

WHEREAS, the Allergan, Teva, CVS, Walgreens and Walmart Settlement Agreements, and the California State Subdivision Agreements require that the settlement funds be used for approved opioid abatement activities. As a litigating subdivision, the County of Santa Barbara may also use a portion of the settlement funds received for in-house and outside counsel attorneys’ fees and costs through execution of “backstop agreements”; and

WHEREAS, upon execution of the Settlement Participation forms, the County of Santa Barbara covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability against the Settling Defendants and their “Released Entities” as that term is defined in the Settlement Agreements for each’s conduct complained of in the lawsuit.

NOW THEREFORE, IT IS RESOLVED THAT:

The Board of Supervisors for the County of Santa Barbara approves and authorizes County Counsel or her designee to execute the following agreements before April 18, 2023 which shall partially settle the action *County of Santa Barbara and the People of the State of California v. Purdue Pharma, et al.* (Case No. 1:17-MD-2804):

1. The Subdivision and Special District Settlement Participation Forms for the Allergan, Teva, CVS, Walgreens, and Walmart settlements, execution of which shall release all claims against the Settling Defendants and their “Released Entities” as that term is defined in the Settlement Agreements for each’s conduct complained of in the lawsuit.
2. The 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 the settlement funds for approved opioid abatement activities; and

- 3. The Backstop Agreements, which will allow the County to pay the contingency fees of Outside Counsel Keller Rohrback from recovered National Settlement funds in an amount not to exceed 15% of the County's recovery plus costs.

PASSED, APPROVED AND ADOPTED by the Board of Supervisors for the County of Santa Barbara in a meeting thereof held on this April 4, 2023 by the following vote:

AYES: Supervisors Williams, Capps, Hartmann, Nelson and Lavagnino

NOES: None

ABSTENTIONS: None

ABSENT: None

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

By: *Shirley Olatunwa*
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: *[Signature]*
Chair, Board of Supervisors

Date 4-4-23

RECOMMENDED FOR APPROVAL AND APPROVED AS TO FORM:

Rachel Van Mullem
County Counsel

By: *Rachel Van Mullem*
County Counsel

APPROVED AS TO ACCOUNTING FORM:

Betsy M. Schaffer, CPA
Auditor-Controller

By: *[Signature]*
Deputy

APPROVED AS TO FORM:

Greg Milligan, Risk Manager

By: *Greg Milligan*
Risk Management