



# Board Agenda Item 29

DATE: September 9, 2025

TO: Board of Supervisors

SUBMITTED BY: Douglas T. Sloan, County Counsel

SUBJECT: Combined Purdue Pharma L.P./Sackler Settlement Agreement in the National Prescription Opiate Litigation

## RECOMMENDED ACTIONS:

- 1. Approve and authorize the Chairman to sign the “Exhibit K, Subdivision Participation and Release Form” and the “Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds, Purdue/Sackler Settlement,” thereby approving the combined settlement proposal and agreeing to resolve all the County’s claims against manufacturer Purdue Pharma L.P. and the Sackler family members who are shareholders in Purdue Pharma, in exchange for settlement payments estimated to total approximately \$7.1 million; and**
- 2. Authorize the County Counsel, or their designee, to submit a vote, via e-mail, on behalf of the County approving Purdue Pharma L.P.’s Chapter 11 bankruptcy plan.**

The recommended actions will allow the Board to execute the County’s approval of the combined settlement proposal involving the pharmaceutical manufacturer Purdue Pharma L.P. and the Sackler family members who are shareholders in Purdue Pharma.

## ALTERNATIVE ACTION:

Your Board, as an alternative action, may decline to approve the settlement proposal. In that case, the County would be required to litigate its claim, at significant cost, instead of participating in the nationwide settlement.

## FISCAL IMPACT:

There are only rough estimates of the amounts that will flow to the County from the combined settlement agreement. The combined total of the Purdue Pharma and the Sackler family shareholders of the Purdue Pharma settlements is approximately \$8 billion. The approximate amount California would receive is up to \$440 million with a 15-year payment term in 16 separate payouts beginning around June 2026. The distribution of that statewide amount would be allocated as follows: 15% to the State of California, 70% to California Abatement Account Fund, and 15% to California Subdivision Fund. The County would receive 1.895% of the California Abatement Account Fund, in the estimated amount of \$5.8 million, and 2.318% of the California Subdivision Fund, in the estimated amount of about \$1.3 million. Thus, the approximate total the County is estimated to receive from the combined Purdue/Sackler settlement is \$7.1 million.

The estimated \$7.1 million the County would receive has conditions on how it is spent. The funds must be spent in accordance with the “Proposed California State-Subdivision Agreement Regarding Distribution and

Use of Settlement Funds, Purdue/Sackler Settlement.” In general, the funds must all be used to fund future opioid remediation and reimburse past opioid-related expenses.

DISCUSSION:

As part of the National Prescription Opiate Litigation, the County is a claimant alleging that the manufacturers of prescription opioids grossly misrepresented the risks of long-term use of those drugs for persons with chronic pain, and distributors failed to properly monitor suspicious orders of those prescription drugs-both of which contributed to the opioid epidemic.

On May 9, 2018, the County, in joint agreement with several other California counties, retained private law firms to represent the County in the National Prescription Opioid Litigation, which includes many lawsuits. The County is represented primarily by Baron & Budd, PC.

Currently, the County is a plaintiff in the matter against Purdue Pharma in *In re National Prescription Opiate Litigation*, U.S. District Court for the Northern District of Ohio, Case No. MD-02804. Several manufacturers or distributors of opioids have declared bankruptcy because of the litigation, including the manufacturer Purdue Pharma, which currently has a Chapter 11 (reorganization) bankruptcy matter pending in the Southern District of New York.

Under the proposed combined settlement, the claimants, including the County, would dismiss their claims against Purdue Pharma and the Sackler family members who are shareholders in Purdue Pharma in exchange for a conditioned monetary settlement of an estimated \$7.1 million.

To participate in the settlement, in addition to signing the settlement agreement documents, the County must also submit a vote, via email, in support of Purdue Pharma’s Chapter 11 bankruptcy plan. The second recommended action authorizes the County Counsel, or their designee, to submit that vote.

ATTACHMENTS INCLUDED:

On file with Clerk - Exhibit K, Subdivision Participation and Release Form

On file with Clerk - Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds, Purdue/Sackler Settlement

CAO ANALYST:

Amy Ryals