

CITY OF OAKLAND



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October 7, 2025

HONORABLE CITY COUNCIL
Oakland, California

Subject: *People of the State of California, et al. v. Purdue Pharma L.P., et al.*
Orange County Superior Court No. 30-2014-00725287-CU-BT-CXC

In re: National Prescription Opiate Litigation
MDL Master Docket No. 1:17-MD-2804

In re: Purdue Pharma L.P., et al.
Case No. 19-23649 United States Bankruptcy Court, Southern District of New York
City Attorney File No. X04526

President Jenkins and Members of the City Council:

Pursuant to Section 401 of the Charter, the City Attorney has prepared and requests your approval of a resolution authorizing the City Attorney to release:

(1) claims against eight opioid manufacturers, Alvogen, Inc., Amneal Pharmaceuticals Inc., Apotex Corp., Hikma Pharmaceuticals USA, Inc., Indivior Inc., Mylan Pharmaceuticals Inc., Sun Pharmaceuticals Industries, Inc., and Zydus Pharmaceuticals (USA) Inc. (“Manufacturers”), in exchange for full participation in the Nationwide Settlement Agreements and associated California State-Subdivision Agreements Regarding Distribution and Use of Settlement Funds (collectively, the “Manufacturer Settlements”); and

(2) claims against Purdue Pharma L.P., its related corporate entities, and potential claims against members of the Sackler family (“Purdue/Sackler Entities”) in exchange for the City’s consent and full participation in a collection of agreements, including the Governmental Entity & Shareholder Direct Settlement Agreement (“GESA”), the Master Settlement Agreement (“MSA”), the Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors (the “Plan”), the Governmental Remediation Trust Agreement (“GRTA”), and the California Purdue/Sackler State-Subdivision Agreement (collectively, the “Purdue/Sackler Settlements”).

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Page 2

The opportunity to fully join these settlements arose due to litigation the City Attorney joined some years ago. In May 2014, the Santa Clara County Counsel's Office and the Orange County District Attorney's Office filed the first lawsuit in the nation brought by government entities against major opioid manufacturers for the companies' roles in creating and perpetuating the opioid crisis. In 2018, Oakland and Los Angeles County, in the name of the People of the State of California, joined that lawsuit. The *People v. Purdue Pharma et al.* case was filed, litigated, and tried in Orange County Superior Court.

The Manufacturer Settlements being contemplated arose from separate federal litigation by innumerable state and local governments across the country, challenging the conduct of a wide variety of opioid industry actors for the role they played in the opioid crisis. These agreements are with several remaining manufacturer defendants in the consolidated federal litigation. Although Oakland did not sue these Manufacturers, Oakland is nonetheless eligible to fully join the Manufacturer Settlements receiving the same benefits as local governments who *did* sue, due to the City Attorney's participation in the state court litigation.

Participation in the Manufacturer Settlements requires that the City of Oakland: (1) release all of its legal claims, including *unfiled* claims, against the Manufacturers; and (2) agree to the specific terms of the California State Allocation Agreements, which include ordinary provisions related to use, budgeting, and accountability for the settlement funds. This is the same basic framework as the prior nationwide opioid settlement and bankruptcy agreements, and accompanying statewide agreements that Council has previously authorized (see Resolution Nos. 88980, 89534, 89609, 90381 C.M.S.).

As for Purdue, in September 2019, Purdue Pharma L.P., Purdue Pharma Inc., and related entities filed for bankruptcy, and the People's claims against the Purdue defendants were stayed. In 2021, the bankruptcy court issued an order confirming Purdue's Chapter 11 Plan of Reorganization, however the plan was struck down by the Supreme Court in 2024. (See *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024).) The Supreme Court held that the Bankruptcy Code did not authorize release and injunction provisions of the Chapter 11 Plan that effectively discharged claims against certain non-debtors, including members of the Sackler family that own Purdue, without the consent of those affected. Affected entities have been in mediation since that decision and have reached agreements in principle to resolve the payment obligations of the Sacklers and Purdue.

The proposed Purdue/Sackler Settlement is a collection of agreements – including the Purdue Bankruptcy Plan – that address payment obligations of the Sacklers and Purdue, and the allocation of funds among multiple types of creditors. All of the funds to the City of Oakland will flow through a state-specific agreement, the California State Allocation Agreement, with the same basic framework as the other opioid settlement agreements (see above).

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Page 3

Participation in the Purdue/Sackler Settlement requires that the City of Oakland: (1) release all of its legal claims, including *unfiled* claims, against the entities including a dismissal of previously stayed claims in the trial court; and (2) agree to the specific terms of the California State Allocation Agreement, which include ordinary provisions related to use, budgeting, and accountability for the settlement funds and the same framework as prior nationwide agreements.

The City Council authorized settlement of this case in Closed Session on Thursday, September 18, 2025 (moved by President Pro-Tem Noel Gallo and seconded by Councilmember Charlene Wang - 7 Ayes, 1 Excused – Councilmember Janani Ramachandran).

Respectfully submitted,



RYAN RICHARDSON
City Attorney

Assigned Attorney:
Malia McPherson