

# CITY OF OAKLAND



ONE FRANK H. OGAWA PLAZA • 6TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Attorney  
Barbara J. Parker  
City Attorney

(510) 238-3601  
FAX: (510) 238-6500  
TTY/TDD: (510) 238-3254

March 7, 2023

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 Case No. 30-2014-00725287-CU-BT-CXC*

and

*In re: National Prescription Opiate Litigation*  
**MDL Master Docket No. 1:17-MD-2804**  
**(Office of the City Attorney – Public Nuisance, False Advertising, Unfair Competition)**

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President Fortunato Bas 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 the City's potential claims against Walgreens Company and its subsidiaries; Walmart, Inc. and its subsidiaries; and CVS (CVS Health Corporation; CVS Pharmacy, Inc.; and their subsidiaries) (the "Pharmacies"); as well as against the Teva corporate entities and Allergan corporate entities, in exchange for full participation in the national settlements with those defendants.

The opportunity to join these settlements as "litigating entities" 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 ("Manufacturers") for the companies' roles in creating and perpetuating the opioid crisis. In 2018, the Oakland City Attorney and the Los Angeles County Counsel, in the name of the People of the State of California, joined that lawsuit. The lawsuit was and is distinct from the settlements before the Council, but the City Attorney's participation in that lawsuit has put the City of Oakland in its current position to authorize the City Attorney to accept the terms of all five of these national opioid settlements as a "litigating entity."

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The national Walgreens Settlement Agreement, the national Walmart Settlement Agreement, the national CVS Settlement Agreement, the national Teva Settlement Agreement, and the national Allergan Settlement Agreement serve to settle federal litigation by innumerable state and local governments across the country challenging the conduct of a wide variety of opioid industry actors for the roles they played in the opioid crisis. Separate from any state court proceedings, those cases were consolidated years ago into a single “Multi-District Litigation” (“MDL”) proceeding, and these settlements will resolve all relevant claims in the MDL 2804.

The five settlements at issue in this closed session are structured in a “tiered” fashion: each state must decide to participate, and once it does, its local subdivisions (e.g., counties, cities) decide whether to participate. California has decided to participate in all five settlements. Local participation is then subject to a “State-Subdivision Allocation Agreements,” or a division of settlement funds between the state and its local governments. To participate in the *national* agreement, a local government in California must also participate in the *State* Allocation Agreement. Because the Oakland City Attorney sued opioid defendants, Oakland is eligible to participate in all five settlements as a “litigating entity” and to therefore receive the maximum settlement amounts available to the city under both agreements. Local governments have until April 18, 2023 to release their claims and join either or both settlements.

The City Council authorized settlement of this case in Closed Session on Thursday, February 16, 2023 (moved by Councilmember Rebecca Kaplan and seconded by Councilmember Treva Reid – 6 Ayes, 2 Excused – Councilmember Janini Ramachandran and Councilmember Noel Gallo).

Respectfully submitted,



BARBARA J. PARKER  
City Attorney

Assigned Attorney  
Zoe Savitsky

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