

File No. 230688

Committee Item No. 6

Board Item No. 4

# COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight

Date: July 20, 2023

Board of Supervisors Meeting:

Date: September 12, 2023

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- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
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- Grant Information Form
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- Contract / DRAFT Mills Act Agreement
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### OTHER

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Prepared by: Stephanie Cabrera

Date: July 12, 2023

Prepared by: Stephanie Cabrera

Date: July 25, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Settlement of Lawsuit - Allergan Finance, LLC and Allergan Limited - City to Receive  
2 \$12,916,274 Over 5 Years]

3 **Ordinance authorizing settlement of the lawsuit filed by the City and County of San**  
4 **Francisco and the People of the State of California against Allergan Finance, LLC (f/k/a**  
5 **Actavis, Inc., which, in turn, was f/k/a Watson Pharmaceuticals, Inc.) and Allergan**  
6 **Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc) for \$12,916,274 (the City**  
7 **to be paid \$10,156,889 over 5 years, the City’s outside counsel to be paid \$1,585,179,**  
8 **and the City Attorney’s Office to be paid \$1,174,206); directing the Controller to allocate**  
9 **funds to the City Attorney’s Office as provided in the settlement agreement; the lawsuit**  
10 **was filed on December 18, 2018, in the United States District Court for the Northern**  
11 **District of California, Case No. 3:18-cv-7591-CRB-JSC; entitled The City and County of**  
12 **San Francisco and the People of the State of California v. Purdue Pharma L.P., Richard**  
13 **S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler**  
14 **Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of**  
15 **Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon,**  
16 **Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo**  
17 **International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen**  
18 **Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC,**  
19 **Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a Actavis, Inc., Watson**  
20 **Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson Pharma, Inc.,**  
21 **AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation;**  
22 **the lawsuit involves allegations that the Allergan defendants created a public nuisance and**  
23 **violated the Unfair Competition Law by falsely and misleadingly marketing opioids as**  
24 **safer than they actually are and distributing increasingly large volumes of opioids in**  
25 **and around San Francisco despite knowledge of the growing epidemic caused by**

1 **opioid misuse, and by failing to prevent and report suspicious opioid orders as**  
2 **required by state and federal law.**

3 Be it ordained by the People of the City and County of San Francisco:  
4

5 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby  
6 authorizes the City Attorney to settle the action entitled The City and County of San Francisco  
7 and the People of the State of California v. Purdue Pharma L.P., Richard S. Sackler, Jonathan  
8 D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler,  
9 Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler  
10 Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd.,  
11 Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo  
12 Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt  
13 Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a  
14 Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson  
15 Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson  
16 Corporation, the United States District Court for the Northern District of California, Case No.  
17 3:18-cv-7591-CRB-JSC by the payment of \$12,916,274 (the City to be paid \$10,156,889 over  
18 5 years, the City’s outside counsel to be paid \$1,585,179, and the City Attorney’s Office to be  
19 paid \$1,174,206) by Allergan Finance, LLC (f/k/a Actavis, Inc., which, in turn, was f/k/a  
20 Watson Pharmaceuticals, Inc.) and Allergan Limited (f/k/a Allergan plc, which, in turn, was  
21 f/k/a Actavis plc). The lawsuit involves allegations that the Allergan defendants created a  
22 public nuisance and violated the Unfair Competition Law by falsely and misleadingly  
23 marketing opioids as safer than they actually are and distributing increasingly large volumes  
24 of opioids in and around San Francisco despite knowledge of the growing epidemic caused by  
25

1 opioid misuse, and by failing to prevent and report suspicious opioid orders as required by  
2 state and federal law.

3 Section 2. The above-named action was filed in the United States District Court for the  
4 Northern District of California on December 18, 2018, and the following parties were named in  
5 the lawsuit: The City and County of San Francisco and the People of the State of California,  
6 as plaintiffs; Purdue Pharma L.P.; Purdue Pharma Inc.; The Purdue Frederick Company, Inc.;  
7 Rhodes Pharmaceuticals L.P.; Richard S. Sackler; Jonathan D. Sackler; Mortimer D.A.  
8 Sackler, Kathe A. Sackler; Ilene Sackler Lefcourt; Beverly Sackler; Theresa Sackler; David A.  
9 Sackler; Trust for the Benefit of the Raymond Sackler Family; Allergan Plc f/k/a Actavis Plc;  
10 Allergan Finance, LLC f/k/a Actavis, Inc. f/k/a Watson Pharmaceuticals, Inc.; Allergan Sales,  
11 LLC; Allergan USA, Inc.; Watson Laboratories, Inc.; Warner Chilcott Company, LLC; Actavis  
12 Pharma, Inc. f/k/a Watson Pharma, Inc.; Actavis South Atlantic LLC; Actavis Elizabeth LLC;  
13 Actavis Mid Atlantic LLC; Actavis Totowa LLC; Actavis LLC; Actavis Kadian LLC; Actavis  
14 Laboratories UT, Inc. f/k/a Watson Laboratories, Inc.-Salt Lake City; Actavis Laboratories FL,  
15 Inc. f/k/a Watson Laboratories, Inc.-Florida; Teva Pharmaceuticals USA, Inc.; Teva  
16 Pharmaceutical Industries Ltd.; Cephalon, Inc.; Johnson & Johnson; Janssen  
17 Pharmaceuticals, Inc.; Noramco, Inc.; Ortho-Mcneil-Janssen Pharmaceuticals, Inc.; Janssen  
18 Pharmaceutica, Inc.; Endo Health Solutions Inc.; Endo Pharmaceuticals, Inc.; Par  
19 Pharmaceuticals, Inc.; Par Pharmaceutical Companies, Inc. f/k/a Par Pharmaceutical  
20 Holdings, Inc.; Endo International Plc; Insys Therapeutics, Inc.; Mallinckrodt Plc; Mallinckrodt  
21 LLC; Specgx LLC; AmerisourceBergen Drug Corporation; Anda, Inc.; Cardinal Health, Inc.;  
22 McKesson Corporation; and Walgreen Co. as defendants.

23 Section 3. The Controller is hereby authorized and directed to allocate the payment of  
24 funds for the reimbursement of attorneys' fees to the City Attorney's Office in the amount  
25 provided in the settlement agreement.

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APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

By: /s/ Sara J. Eisenberg  
SARA J. EISENBERG  
Chief of Complex and Affirmative Litigation

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