

File No. 230687

Committee Item No. 5

Board Item No. 3

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: July 20, 2023

Board of Supervisors Meeting:

Date: September 12, 2023

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

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 - Teva Pharmaceuticals USA, Inc. and Related Entities - City to
2 Receive \$24,797,604 Over 13 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 Cephalon, Inc.; Teva**
5 **Pharmaceuticals USA, Inc.; Teva Pharmaceutical Industries Ltd; Watson Laboratories,**
6 **Inc.; Actavis LLC; Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.); Actavis Elizabeth**
7 **LLC; Actavis Mid Atlantic LLC; Warner Chilcott Company, LLC; Actavis South Atlantic**
8 **LLC; Actavis Totowa LLC; Actavis Kadian LLC; Actavis Laboratories UT, Inc. (f/k/a/**
9 **Watson Laboratories, Inc.-Salt Lake City); Actavis Laboratories FL, Inc. (f/k/a Watson**
10 **Laboratories, Inc.-Florida); and Anda, Inc. for \$24,797,604 (the City to be paid**
11 **\$19,499,928 over 13 years, the City's outside counsel to be paid \$3,043,340, and the**
12 **City Attorney's Office to be paid \$2,254,336) and naloxone valued at \$20,000,000;**
13 **directing the Controller to allocate funds to the City Attorney's Office as provided in the**
14 **settlement agreement; the lawsuit was filed on December 18, 2018, in the United States**
15 **District Court for the Northern District of California, Case No. 3:18-cv-7591-CRB-JSC;**
16 **The City and County of San Francisco and the People of the State of California**
17 **v. Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler,**
18 **Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler, Theresa Sackler, David A.**
19 **Sackler, Trust for the Benefit of Members of the Raymond Sackler Family, Rhodes**
20 **Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd., Teva**
21 **Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo**
22 **Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc.,**
23 **Mallinckrodt Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson**
24 **Pharmaceuticals, Inc. n/k/a Actavis, Inc., Watson Laboratories, Inc., Actavis LLC,**
25 **Actavis Pharma, Inc. f/k/a Watson Pharma, Inc., AmerisourceBergen Corporation,**

1 **Cardinal Health, Inc., and McKesson Corporation**; the lawsuit involves allegations that
2 the Teva defendants created a public nuisance and violated the Unfair Competition Law
3 by falsely and misleadingly marketing opioids as safer than they actually are and
4 distributing increasingly large volumes of opioids in and around San Francisco despite
5 knowledge of the growing epidemic caused by opioid misuse, and by failing to prevent
6 and report suspicious opioid orders as required by state and federal law.

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

8
9 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
10 authorizes the City Attorney to settle the action entitled The City and County of San Francisco
11 and the People of the State of California v. Purdue Pharma L.P., Richard S. Sackler, Jonathan
12 D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler,
13 Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler
14 Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd.,
15 Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo
16 Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt
17 Plc, Mallinckrodt LLC, Allergan Plc f/k/a Actavis Plc, Watson Pharmaceuticals, Inc. n/k/a
18 Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. f/k/a Watson
19 Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson
20 Corporation, the United States District Court for the Northern District of California, Case No.
21 3:18-cv-7591-CRB-JSC by the payment of \$24,797,604 (the City to be paid \$19,499,928 over
22 13 years, the City's outside counsel to be paid \$3,043,340, and the City Attorney's Office to
23 be paid \$2,254,336) and naloxone valued at \$20,000,000 by Cephalon, Inc.; Teva
24 Pharmaceuticals USA, Inc.; Teva Pharmaceutical Industries Ltd; Watson Laboratories, Inc.;
25 Actavis LLC; Actavis Pharma, Inc. (f/k/a Watson Pharma, Inc.); Actavis Elizabeth LLC; Actavis

1 Mid Atlantic LLC; Warner Chilcott Company, LLC; Actavis South Atlantic LLC; Actavis Totowa
2 LLC; Actavis Kadian LLC; Actavis Laboratories UT, Inc. (f/k/a/ Watson Laboratories, Inc.-Salt
3 Lake City); Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc.-Florida); and Anda,
4 Inc. The lawsuit involves allegations that the Teva defendants created a public nuisance and
5 violated the Unfair Competition Law by falsely and misleadingly marketing opioids as safer
6 than they actually are and distributing increasingly large volumes of opioids in and around San
7 Francisco despite knowledge of the growing epidemic caused by opioid misuse, and by failing
8 to prevent and report suspicious opioid orders as required by state and federal law.

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

1 Holdings, Inc.; Endo International Plc; Insys Therapeutics, Inc.; Mallinckrodt Plc; Mallinckrodt
2 LLC; Specgx LLC; AmerisourceBergen Drug Corporation; Anda, Inc.; Cardinal Health, Inc.;
3 McKesson Corporation; and Walgreen Co. as defendants.

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

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8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

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

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