

BOARD of SUPERVISORS



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MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Danny Sauter, Vice Chair
Government Audit and Oversight Committee

FROM: Monique Crayton, Assistant Clerk

DATE: April 16, 2026

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, April 21

The following file should be presented as COMMITTEE REPORT at the regular Board meeting on Tuesday, April 21, 2026. This resolution was acted upon at the Regular Government Audit and Oversight Committee meeting on Thursday, April 16, 2026, at 10:00 a.m., by the votes indicated.

Item No. 28 File No. 260279

Settlement of Unlitigated Claims against Associated Pharmacies, Inc., et al. - City to Receive Approximately \$250,000 to \$350,000

Resolution authorizing settlement of unlitigated claims on behalf of the City and County of San Francisco and the People of the State of California against Associated Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including subsidiaries SuperValu and Advantage Logistics) for abatement funds in the range of \$250,000 to \$350,000; the claims relate to settling companies' allegedly improper and unlawful practices, which contributed to the epidemic of opioid abuse and misuse and caused a public nuisance.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Danny Sauter - Aye
Supervisor Stephen Sherrill - Aye
Supervisor Jackie Fielder - Excused

Cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Brad Russi, Deputy City Attorney

File No. 260279

Committee Item No. 8

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: April 16, 2026

Date: April 21, 2026

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

- Comm Rpt Rqst Memo 040926
- _____
- _____
- _____
- _____
- _____
- _____

Prepared by: Monique Crayton

Date: April 17, 2026

Prepared by: Monique Crayton

Date: April 10, 2026

Prepared by: _____

Date: _____

1 [Settlement of Unlitigated Claims against Associated Pharmacies, Inc., et al. - City to Receive
2 Approximately \$250,000 to \$350,000]

3 **Resolution authorizing settlement of unlitigated claims on behalf of the City and**
4 **County of San Francisco and the People of the State of California against Associated**
5 **Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation;**
6 **Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina**
7 **Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including**
8 **subsidiaries SuperValu and Advantage Logistics) for abatement funds in the range of**
9 **\$250,000 to \$350,000; the claims relate to settling companies' allegedly improper and**
10 **unlawful practices, which contributed to the epidemic of opioid abuse and misuse and**
11 **caused a public nuisance.**

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14 WHEREAS, Associated Pharmacies, Inc. (and American Associated Pharmacies); J M
15 Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North
16 Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including is
17 subsidiaries SuperValu and Advantage Logistics) ("Settling Distributors") have agreed to a
18 national settlement agreement that resolves numerous governments' claims against the
19 Settling Distributors for their allegedly improper and unlawful practices, which contributed to
20 the epidemic of opioid abuse and misuse and caused a public nuisance; and

21 WHEREAS, San Francisco has not filed a lawsuit against the Settling Distributors, but
22 may participate in the Settling Distributors national settlement agreement by releasing
23 potential claims against the Settling Distributors relating to their marketing and distribution of
24 opioids in exchange for payments totaling approximately \$250,000 to \$350,000; and

1 WHEREAS, The City Attorney has recommended settlement by releasing potential
2 claims against the Settling Distributors relating to their distribution of opioids in San Francisco
3 in exchange for the payment of abatement funds from the Settling Distributors to San
4 Francisco, in an amount estimated to be approximately \$250,000 to \$350,000: now, therefore,
5 be it

6 RESOLVED, That Pursuant to Charter, Section 6.102(5) and Administrative Code,
7 Section 10.24(b), the Board of Supervisors hereby authorizes the City Attorney to settle
8 potential claims against Associated Pharmacies, Inc. (and American Associated Pharmacies);
9 J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.;
10 North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc.
11 (including subsidiaries SuperValu and Advantage Logistics) relating to their distribution of
12 opioids in San Francisco by the payment of abatement funds in an amount estimated to be
13 approximately \$250,000 to \$350,000.

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APPROVED AS TO FORM AND
RECOMMENDED:

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

Member, Board of Supervisors
District 3



City and County of San Francisco

DANNY SAUTER
李爾德

DATE: Thursday, April 9, 2026

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Danny Sauter, Vice-Chair, Government Audit and Oversight Committee

RE: Government Audit and Oversight Committee COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of Government Audit and Oversight Committee, I have deemed the following matter is of an urgent nature and request that it be considered by the full Board on Tuesday, April 21, 2026, as a Committee Report:

1. File No. 260279 - Settlement of Unlitigated Claims against Associated Pharmacies, Inc., et al. - City to Receive Approximately \$250,000 to \$350,000

This matter will be heard in the Government Audit and Oversight Committee at a Regular Meeting on Thursday, April 16, 2026, at 10:00 a.m.

Sincerely,

A handwritten signature in black ink that reads "Danny Sauter".

Danny Sauter
District 3 Supervisor