

1 [Settlement of Lawsuit - AmerisourceBergen Corp., Cardinal Health, Inc., and McKesson
2 Corp. - City to Receive \$27 Million to \$50 Million Over 18 Years]

3 **Ordinance authorizing the partial settlement of the lawsuit filed on behalf of the City
4 and County of San Francisco and the People of the State of California against three
5 large distributors of prescription opioids (AmerisourceBergen Corporation, Cardinal
6 Health, Inc., and McKesson Corporation) for abatement funds in the range of
7 \$27 million to \$50 million to be paid over 18 years; the lawsuit was filed on
8 December 18, 2018, in the United States District Court for the Northern District of
9 California, Case No. 3:18-cv-7591-CRB-JSC; entitled The City and County of San
10 Francisco and the People of the State of California v. Purdue Pharma L.P., Richard S.
11 Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler
12 Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of
13 Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon,
14 Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo
15 International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen
16 Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC,
17 Allergan Plc F/K/A Actavis Plc, Watson Pharmaceuticals, Inc. N/K/A Actavis, Inc.,
18 Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. F/K/A/ Watson Pharma,
19 Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson
20 Corporation; the lawsuit involves allegations that AmerisourceBergen Corporation,
21 Cardinal Health, Inc., and McKesson Corporation created a public nuisance and
22 violated the Unfair Competition Law and the False Advertising Laws by distributing
23 increasingly large volumes of opioids in and around San Francisco despite knowledge
24 of the growing epidemic caused by opioid misuse, and by failing to prevent and report
25 suspicious opioid orders as required by state and federal law.**

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

2 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
3 authorizes the City Attorney to partially settle the action entitled The City and County of San
4 Francisco and the People of the State of California v. Purdue Pharma L.P. et al., Case
5 No. 3:18-cv-7591-CRB-JSC (U.S.D.C. N.D. Cal.), by the payment of abatement funds from
6 AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation
7 collectively to San Francisco, in an amount estimated to be between \$27 million and \$50
8 million over the next 18 years. The lawsuit involves allegations that AmerisourceBergen
9 Corporation, Cardinal Health, Inc., and McKesson Corporation created a public nuisance and
10 violated the Unfair Competition Law and the False Advertising Laws by distributing increasing
11 large volumes of opioids in and around San Francisco despite knowledge of the growing
12 epidemic caused by opioid misuse, and by failing to prevent and report suspicious opioid
13 orders as required by state and federal law.

14 Section 2. The above-named action was filed in the United States District Court for the
15 Northern District of California on December 18, 2018, and the following parties were named in
16 the lawsuit: The City and County of San Francisco and the People of the State of California,
17 as plaintiffs; Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A.
18 Sackler, 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., Mallinckrodt
23 Plc, Mallinckrodt LLC, Allergan Plc F/K/A Actavis Plc, Watson Pharmaceuticals, Inc. N/K/A
24 Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. F/K/A/ Watson
25

1 Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson
2 Corporation as defendants.

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4 APPROVED AS TO FORM AND
RECOMMENDED:

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6 /s/ Yvonne R. Meré
7 YVONNE R. MERÉ
Chief of Complex and Affirmative Litigation

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