File No. 211071

Committee Item	No.	
Board Item No.	25	

COMMITTEE/BOARD OF SUPERVISORS

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Committee:	Date:	
Board of Supervisors Meeting	Date:	November 2, 2021
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Grant Information Form		
Grant Budget		
Subcontract Budget		
☐ Contract/Agreement		
Form 126 – Ethics Commission	on	
Award Letter		
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OTHER		
Prepared by: <u>Lisa Lew</u>	Date:	October 29, 2021
Prepared by:	Date:	, -

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

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

Section 2. The above-named action was filed in the United States District Court for the Northern District of California on December 18, 2018, and the following parties were named in the lawsuit: The City and County of San Francisco and the People of the State of California, as plaintiffs; Purdue Pharma L.P., Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, Beverly Sackler, Theresa Sackler, David A. Sackler, Trust for the Benefit of Members of the Raymond Sackler Family, Rhodes Pharmaceuticals L.P., Cephalon, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., Endo International Plc, Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Janssen Pharmaceuticals, Inc., Insys Therapeutics, Inc., Mallinckrodt Plc, Mallinckrodt LLC, Allergan Plc F/K/A Actavis Plc, Watson Pharmaceuticals, Inc. N/K/A Actavis, Inc., Watson Laboratories, Inc., Actavis LLC, Actavis Pharma, Inc. F/K/A/ Watson

orders as required by state and federal law.

1	Pharma, Inc., AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson
2	Corporation as defendants.
3	ADDD 0.1/5D AQ TQ 50DM AND
4	APPROVED AS TO FORM AND RECOMMENDED:
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6	/s/ Yvonne R. Meré YVONNE R. MERÉ
7	YVONNE R. MERE Chief of Complex and Affirmative Litigation
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LEGISLATION RECEIVED CHECKLIST

Date	10/08/21	ile	Number (if application	able)
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	Joy Perez 415-	554-3869	City A	ttorney
	ne and Telephone		Department	