

## MEMORANDUM

**To:** Mayor and City Council

**From:** William F. Riley, Asst City Attorney

**Date:** November 29, 2021

**Subject:** Resolution: the Mayor and City Council Adopt the material terms of the distributor and Janssen settlements pursuant to the Georgia Memorandum of Understanding and consistent with the terms of the July 21, 2021 Nation Opioid Settlement Agreements as set forth

### **ITEM DESCRIPTION**

*City Manager authorized to execute the Participation Agreement for Subdivision Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation and Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. pursuant to the Georgia Memorandum of Understanding regarding the pursuit and use of potential opioid litigation settlement funds and consistent with the material terms of the July 21, 2021 proposed National Opioid Settlement Agreements available at <https://nationalopioidsettlement.com/>.*

### **BACKGROUND**

*In past actions, the Council has consistently maintained the City's involvement in the National Opioid suit. The courts have ruled on a National Settlement Agreement [attached] and the City will be part of the pending distribution.*

### **RECOMMENDED ACTION**

*Past the Resolution authorizing the City Manager to sign on the City's behalf to accept the National Opioid Settlement Agreements and accompanying other required documentation.*

**STATE OF GEORGIA  
CITY OF DUNWOODY**

**RESOLUTION 2021-XX-XX**

**AN RESOLUTION BY THE CITY OF DUNWOODY MAYOR AND COUNCIL TO ACCEPT THE MATERIAL TERMS OF THE DISTRIBUTOR AND JANSSEN SETTLEMENTS PURSUANT TO THE GEORGIA MEMORANDUM OF UNDERSTANDING AND CONSISTENT WITH THE TERMS OF THE JULY 21, 2021 NATIONAL OPIOID SETTLEMENT AGREEMENTS**

**WHEREAS**, the City of Dunwoody, Georgia (herein "Municipality") is a municipal corporation of Georgia formed and organized pursuant to the Constitution and laws of the State of Georgia; and

**WHEREAS**, the people of the State of Georgia and its communities have been harmed by misfeasance, nonfeasance and malfeasance committed by certain entities within the Opioid Pharmaceutical Supply Chain; and

**WHEREAS**, the State of Georgia, through its Attorney General, and certain Local Governments, through their elected representatives and counsel, are separately engaged in litigation seeking to hold Opioid Pharmaceutical Supply Chain Participants accountable for the damage caused by their misfeasance, nonfeasance and malfeasance; and

**WHEREAS**, the State of Georgia, through its Governor and Attorney General, and its Local Governments share a common desire to abate and alleviate the impacts of that misfeasance, nonfeasance and malfeasance throughout the State of Georgia; and

**WHEREAS**, the State and its Local Governments, subject to completing formal documents effectuating the Parties Agreements, have drafted and the City of Dunwoody has adopted, and hereby reaffirms its adoption of, a Georgia Memorandum of Understanding ("MOU") relating to the allocation and the use of the proceeds of any potential settlements described; and

**WHEREAS**, the MOU has been collaboratively drafted to maintain all individual claims while allowing the State and Local Governments to cooperate in exploring all possible means of resolution; and

**WHEREAS**, the Council understands that an additional purpose of the MOU is to create an effective means of distributing any potential settlement funds obtained under the MOU between the State of Georgia and Local Governments in a manner and means that would promote an effective and meaningful use of the funds in abating the opioid epidemic throughout Georgia, as well as to permit collaboration and explore potentially effectuation earlier resolution of the Opioid Litigation against Opioid Pharmaceutical Supply Chain Participants; and

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**WHEREAS**, nothing in the MOU binds any party to a specific outcome, but rather, any resolution under the MOU requires acceptance by the State of Georgia and the Local Governments; and

**WHEREAS**, a settlement proposal is being presented to the State of Georgia and Local Governments by distributors AmerisourceBergen, Cardinal, and McKesson (collectively the "Settling Distributors") and Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. ("Janssen") to resolve governmental entity claims in the State of Georgia using the structure of the MOU and consistent with the material terms of the July 21, 2021 proposed National Opioid Settlement Agreements; and

**WHEREAS**, the Council wishes to agree to the material terms of the proposed National Opioid Settlement Agreements with the Settling Distributors and Janssen (the "Proposed Settlements"):

**A RESOLUTION AUTHORIZING** the City Manager to execute the Participation Agreement for Subdivision Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation ("Settling Distributors") and Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. ("Janssen") pursuant to the Georgia Memorandum of Understanding regarding the pursuit and use of potential opioid litigation settlement funds and consistent with the material terms of the July 21, 2021 proposed National Opioid Settlement Agreements available at <https://nationalopioidsettlement.com/>.

**NOW, THEREFORE, BE IT RESOLVED**, the Mayor and City Council Adopt the material terms of the distributor and Janssen settlements pursuant to the Georgia Memorandum of Understanding and consistent with the terms of the July 21, 2021 Nation Opioid Settlement Agreements as set forth; and

Section 1. That the City Manager is authorized to accept the Proposed Settlements on behalf of the Mayor and Council of the City of Dunwoody, pursuant to the terms of the Georgia MOU; and

Section 2. That it is found and determined that all formal actions of the Council relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements; and

Section 3. This Resolution is hereby declared to be an emergency measure, necessary for the preservation of the public peace, health, welfare and safety of the City of Dunwoody. The reason for the emergency is to ensure prompt pursuit of funds to assist in abating the opioid epidemic throughout Georgia.

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**SO RESOLVED AND EFFECTIVE**, this the 29<sup>th</sup> day of November, 2021.

Attest:

Approved:

\_\_\_\_\_  
Sharon Lowery, City Clerk  
(SEAL)

\_\_\_\_\_  
Lynn P. Deutsch, Mayor

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**State of Georgia and Local Governments: Memorandum of Understanding  
Concerning National Distributor and Johnson & Johnson Opioid Settlements**

**Foreword**

This Memorandum of Understanding between the State of Georgia *ex. Rel* Chris Carr, Attorney General and certain Georgia Local Government (“LGs”) entities concerns the harms visited upon Georgia’s citizens and the State itself by certain manufacturers and distributors (“Opioid Defendants”) of prescription opioids.

To address these harms, the State and certain of its local government entities separately initiated litigation meant to hold the Opioid Defendants accountable.

Some Distributor Opioid Defendants, namely McKesson Corporation, AmerisourceBergen Corporation, and Cardinal Health, Inc. (each a “Settling Distributor”) and Janssen (“J&J”)<sup>1</sup> have separately reached settlement frameworks (referenced as “National Distributor Settlement” and “J&J Settlement”) with certain states and local government entities that the State of Georgia and LGs have the option to join.

This Memorandum aims to memorialize an agreement between the State and certain LGs that would enable the State and certain LGs to join the National Distributor and J&J Settlements and maximize the monetary help that the State and its LGs receive.

I. Definitions

- a. “Approved Purposes” shall mean those uses identified in the List of Opioid Remediation Uses, attached as Exhibit E to the National Distributor Settlement, and those uses identified as “Approved Opioid Abatement Uses” in Schedules A and B to Exhibit G to the Notice of Filing of Eighth Plan Supplement Pursuant to the Fifth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors, In re: Purdue Pharma L.P., et al., Case No. 19-23649-RDD, Dkt. 3121 (Bankr. S.D. N.Y. July 8, 2021).

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<sup>1</sup> “Janssen” means Johnson & Johnson, Janssen Pharmaceuticals, Inc., OrthoMcNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuticals, Inc.

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- b. “Government Participation Mechanism” means the mechanism formed to make recommendations regarding the allocation of State Opioid Funds consistent with the Findings of Facts, Conclusions of Law, and Order Confirming the Twelfth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and Its Affiliated Debtors, In re: Purdue Pharma L.P. et al., Case No. 19-23649-RDD (Bankr. S.D. N.Y. Sept. 17, 2021), ECF No. 3787.. “Local Government Opioid Funds” means the funds allocated to local governments pursuant to Section III of this Memorandum.
- c. “Local Government Opioid Funds” means the funds allocated to local governments pursuant to Section III of this Memorandum.
- d. “Opioid Funds” means monetary amounts obtained through an Opioid Settlement as defined in this Memorandum of Understanding.
- e. “Opioid Settlement” means the National Distributor Settlement and the J&J Settlement, both dated July 21, 2021.
- f. “Parties” shall mean the State and the Participating Local Governments.
- g. “Participating Local Governments” shall mean:
  - (i) all litigating subdivisions listed on Exhibit C to the National Distributor Settlement and/or Exhibit C to the J&J Settlement and in the signature block to this Memorandum prepared by the LGs and
  - (ii) nonlitigating subdivisions listed on Exhibit G to the National Distributor Settlement or Exhibit G to the J&J settlement
 that choose to sign on to the National Distributor Settlement and J&J Settlement during the notice or sign-on period.
- h. “Region” – Region shall mean each of the Regions described Section III.a of this Memorandum.
- i. “Released Entities” means the entities defined in definition HHH of the National Distributor Settlement and definition 61 of the J&J Settlement

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- j. “State Opioid Funds” means the funds allocated to the State pursuant to Section III of this Memorandum.
  - k. “Trustee” shall be the Commissioner of an agency of the Executive Branch of the State, or his or her designee or other designee of the Executive Branch of the State, to oversee the implementation of the settlement, make decisions regarding expenditures of State Opioid funds after consulting with the Government Participation Mechanism, ensure compliance with the reporting requirements set forth in Section V and in any Opioid Settlement, and who is responsible for the ministerial task of releasing Opioid Funds that are in trust as authorized herein and accounting for all payments into or out of the trust.
- II. Creation of a Qualified Settlement Trust for State Opioid Funds; Government Participation Mechanism.
- a. The Parties shall file a Petition in the Superior Court of Gwinnett County, Georgia, seeking to establish a Qualified Settlement Fund within the meaning of 26 C.F.R. § 1.468B-1, titled the “Georgia Opioid Crisis Abatement Trust”
    - i. The Georgia Opioid Crisis Abatement Trust shall receive (1) the State Opioid Funds set forth under this Memorandum of Understanding; (2) funds from public or private sources, including gifts, grants, donations, rebates, or other settlements received by the State and designated to the Trust; and (3) any interest earned by these amounts.
  - b. The Commissioner of an agency of the Executive Branch of the State,<sup>2</sup> or his or her designee or other designee of the Executive Branch of the State, shall act as Trustee.
  - c. The Parties shall work to establish a Government Participation Mechanism as described in the Notice of Filing of Eighth Plan Supplement Pursuant to the Fifth Amended Joint Chapter 11 Plan of

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<sup>2</sup> The agency or department shall be selected by the Governor, after consultation with the Attorney General.

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Reorganization of Purdue Pharma L.P. and its Affiliated Debtors, In re: Purdue Pharma L.P., et al., Case No. 19-23649-RDD, Dkt. 3121 (Bankr. S.D. N.Y. July 8, 2021), Exhibit G at 11.

- d. The Trustee shall make disbursements of State Opioid Funds for (1) Approved Purposes, after consultation with the Government Participation Mechanism; (2) for administrative expenses as described in Section V of this Memorandum; and (3) for attorneys' fees and costs as identified in Section VII of this Memorandum. The Trustee shall retain final decision-making authority over expenditures of State Opioid Funds for Approved Purposes.
- e. Appointees to the Government Participation Mechanism shall have a background in opioid use disorder, addiction treatment or policy, public health policy, mental health treatment or policy, or opioid-related law enforcement. Members shall serve for three years and shall be paid the per diem of a Member of the General Assembly for their service. Any member who is appointed shall be subject to removal by the appointing authority. The Government Participation Mechanism shall have at least 1 member who is appointed by the Georgia Association of Community Service Boards. The Government Participation Mechanism shall meet at least quarterly and make recommendations, upon a majority vote, regarding allocation of State Opioid Funds. The Trustee shall retain final authority over allocation of State Opioid Funds.

III. Allocation between State and Local Governments

- a. The Participating Local Governments shall collectively receive 25% of the National Distributor and J&J Settlements as their full allocation of Local Government Opioid Funds, for all claims past and future of the Participating Local Governments. Local Government Opioid Funds shall be paid to the national Settlement Administrator(s) as that term is defined in the National Distributor and J&J Settlements and distributed pursuant to Section V.D.4.C of the National Distributor Settlement and Section VI of the J&J Settlement, with the following additional conditions:
  - i. If a county who is a Participating Local Government under this Memorandum has a sheriff who is a Litigating Subdivision listed



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- in Exhibit C of the National Distributor Settlement, at least 9.45% of the Opioid Funds paid to that county shall be allocated to that county's sheriff to be used for Approved Purposes; and
- ii. If a county who is a Participating Local Government under this Memorandum has a hospital which is a Litigating Subdivision listed in Exhibit C of the National Distributor Settlement, at least 2% of the Opioid Funds paid to that county shall be allocated to the hospital to be used for Approved Purposes.
  - iii. If a county who is a Participating Local Government under this Memorandum has a school district which is a Litigating Subdivision listed in Exhibit C of the National Distributor Settlement, at least 1% of the Opioid Funds paid to that county shall be allocated to the school district to be used for Approved Purposes.
- b. The State shall receive 75% of the National Distributor and J&J Settlements as its full allocation of State Opioid Funds.
- c. Of the State's 75% share, the State shall expend at least 40% of those funds on a regional basis ("Regional Distribution"). Expenditures related to (1) "Core Strategies" identified in Schedule A or (2) strategies identified in Schedule B, Subsection A of Exhibit E to the National Distributor Settlement are expressly recognized as a non-exhaustive list of expenditures that shall be considered as Regional Distributions.
- i. The State of Georgia shall be divided into Regions to be determined by the State in consultation with LGs at a future date. Each county with a population of at least 400,000 persons ("Qualifying Block Grantee") shall be counted as a separate Region.
  - ii. Each Qualifying Block Grantee shall receive State Regional expenditures via a direct block grant so long as it certifies that it has sufficient infrastructure to provide Opioid Abatement services.

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- iii. Where a municipality located wholly within a Qualifying Block Grantee or wholly within abutting Qualifying Block Grantees would independently qualify as a block grant recipient (an “Independently Qualifying Municipality”), the Independently Qualifying Municipality will receive a Block Grant directly payable to the Independently Qualifying Municipality according to the percentages in the allocation model available at [www.opioidnegotiationclass.info](http://www.opioidnegotiationclass.info) implemented in In re: National Prescription Opiates Litigation, MDL No. 2804 (N.D. Ohio) (the “Negotiation Class Allocation Model”).
- iv. The State shall assign initial regional allocation percentages to the Regions based on the allocation model available at [www.opioidnegotiationclass.info](http://www.opioidnegotiationclass.info) implemented in In re: National Prescription Opiates Litigation, MDL No. 2804 (N.D. Ohio) (the “Negotiation Class Allocation Model”). Every three years, the Trustee shall recalculate the regional allocation percentages to the Regions based upon the following severity metrics: (1) the number of fatal opioid overdoses within the Region; (2) non-addiction treatment morphine milligram equivalents (MME) shipped into the Region; and (3) addiction treatment MME shipped into the Region.
- v. For each Region comprised of multiple Participating Local Governments, Participating Local Governments shall form a Regional Advisory Council of three to seven members, not all of whom may reside in the same County. The Advisory Council shall include at least 1 member of a county board of health from one of the Participating Local Governments in the Region, 1 member of the executive team of a Community Service Board located in the Region, and 1 sheriff (or representative designated by the sheriff) located in the Region.
- vi. The Regional Advisory Councils shall be available to consult with the Government Participation Mechanism and with Participating Local Governments to best determine how funds will be spent for opioid remediation within the established Regions. In every instance the Trustee shall retain final authority over disbursement of the State Opioid Funds.

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IV. Funds to be used for Approved Purposes; Clawback and Recoupment

- a. With the exception of administrative expenses identified in Section V.b, funds set aside for attorneys' fees and costs for State of Georgia outside counsel, and funds set aside for attorneys' fees for Local Government outside counsel pursuant to Section VII of this Memorandum, State Opioid Funds and Local Government Opioid Funds shall be used for Approved Purposes.
- b. Funds are to primarily (no less than 70 percent) be used for future abatement purposes. Funds used to reimburse the parties for past abatement expenses may not be used to reimburse past Medicaid expenses or any other expense that would be subject to a federal clawback, recoupment, or similar mechanism.
- c. The State and Local Governments shall work cooperatively to ensure the funds are spent within the spirit of this Agreement and the Settlements reached with the Distributors and J&J, and shall further work cooperatively to actively defend the funds from federal clawback and/or recoupment, including, but not limited to, actively participating in any administrative procedure or other case or process related to defense of the funds from federal clawback and/or recoupment. In the event the federal government initiates and successfully claws back any Opioid Funds related to the Settlements, such amounts shall first be deducted from the total disbursements to be made to both the State and Local Governments in the calendar year the clawback claim is successfully made and shall thereafter be deducted from the total disbursements to be made in any subsequent calendar year if necessary. After such deduction, the allocation between the State and Local Governments described in Section IV of this Memorandum shall be applied to the remaining funds for the current calendar year or any subsequent calendar year if applicable. Deduction of amounts from the total disbursements shall include reimbursement of any amounts paid by the State or withheld from amounts due to the State as the result of a clawback and/or recoupment.

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V. Compliance and Reporting

- a. The Trustee shall provide an up-to-date accounting of payments into or out of the trust and/or its subaccounts upon written request of the State or a Participating Local Government. The State, through the Trustee, shall provide an annual report detailing: (1) the amounts received by the Trust; (2) the allocation of any awards approved, listing the recipient, amount awarded, programs funded, and disbursement terms; and (3) the amounts actually disbursed. The Trustee shall also include an assessment of how well resources have been used by the State and the Local Governments and Regions to abate opioid addiction, overdose deaths, and the other consequences of the Opioid Crisis. The State shall publish its annual report and all Regional Advisory Council annual reports on its website.
- b. Expenses of the Trustee shall be deducted first from interest earned on funds held by the Georgia Opioid Crisis Abatement Trust, and then, if necessary, may be deducted from the corpus of State Opioid Funds.
- c. The State shall endeavor to keep such Trustee expenses reasonable in order to maximize the funding available for Opioid Abatement.
- d. Each Regional Advisory Council shall provide a report annually to the Trustee and Government Participation Mechanism detailing: (1) the amount received by each local government within the Region; (2) the allocation of any awards approved, listing the recipient, amount awarded, programs funded, and disbursement terms; and (3) the amounts actually disbursed and approved allocations. Each Participating Local Government within each Region shall provide any information necessary to facilitate such reporting to a single Regional Delegate selected by the Region to provide its annual report.
- e. If the State believes that any Participating Local Government has used funds for a non-approved purpose, it may request in writing the documentation underlying such alleged improper use of funds. If any ten (10) Participating Local Governments believe the State has used funds for a non-approved purpose, they may request jointly in writing the documentation underlying such alleged improper use of funds.

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- f. The State and Participating Local Governments may object in writing to the Trustee to an allocation or expenditure on the basis that the allocation or expenditure is inconsistent with Section IV of this Memorandum or violates Section V.c of this Memorandum regarding reasonable expenses of the Trustee.
- g. Any party to this Memorandum who receives a written request sent pursuant to V.f or V.e shall have 21 days to respond to such request, which may be extended by mutual consent.
- h. A party who makes a written request pursuant to V.f may file an action in the Superior Court of Gwinnett County within one year of its objection seeking a determination as to the validity of the objection.
- i. If, after a written objection made pursuant to V.e, it appears to the State that a Participating Local Government has spent funds on non-approved purposes, the State may seek and obtain an injunction in the Superior Court of Gwinnett County prohibiting the Participating Local Government from spending further funds on non-approved purposes, and to return the monies spent on non-approved purposes. So long as any such action is pending, distribution of any funds to the relevant Participating Local Government shall be suspended and held in trust by the Trustee or national Settlement Administrator and shall only resume after the action is resolved. Once the action is resolved, suspended payments to the Participating Local Government shall resume, less any amounts ordered returned that have not yet been returned as of the date of the resumption of suspended payments.
- j. Attorney's fees and costs are not recoverable in actions brought under this Section.

**VI. Litigation Bar**

- a. This Memorandum of Understanding is designed to maximize the funds that the State and LGs receive to address an extraordinary crisis. It is the expectation of the Parties that once this Memorandum is executed and the Opioid Settlements are finalized, the Parties will proceed to execute releases of existing claims against the Released Entities. In the

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event the State of Georgia and the Participating Local Governments proceed forward, execute said releases, and release the Released Parties from all future liability, their entitlement to funds under the terms of the Opioid Settlements could be significantly delayed or subject to suspension or offsets if a currently litigating or later-litigating local government maintains or assert claims against the Released Entities. This would be detrimental to the State of Georgia's and the LG's opioid abatement efforts, and delay or reduce the help provided to Georgia's citizens.

- b. Therefore, it is understood between the parties to this agreement that upon execution of the Settlements with the Released Entities, that legislative action will be necessary, as it constitutes the most efficient and effective means to ensure the maximum amount of funds are made available to abate the opioid epidemic in Georgia without unnecessary delay.
- c. The Parties shall, as soon as practicable, submit draft legislation to the General Assembly that shall impose a Litigation Bar. A Litigation Bar is a law that either (1) imposes a direct bar preventing Subdivisions from maintaining Released Claims against Released entities or (2) gives the State the exclusive authority to bring, maintain and resolve Released Claims (as defined in Section I.GGG of the Distributors Settlement Agreement or Section I.60 of the Janssen Settlement Agreement) against Released Entities (as that term is defined by Section I.HHH of the Distributors Settlement Agreement or Section I.61 of the Janssen Settlement Agreement) on behalf of any Subdivision and which has the effect of barring all Released Claims by such Subdivision. The Litigation Bar shall include a requirement that any Released Claims brought by such Subdivision are dismissed by the court in which the claims(s) was (were) brought. The term "Subdivision" shall be defined so as to meet the requirements of the term "Bar" as it is defined both in Definition I of the National Distributor Settlement and Definition 9 of the J&J Agreement.

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- d. Participating Local Governments shall make active efforts to pass a Litigation Bar. To that end, within 30 days of this Memorandum, Participating Local Governments shall form a Legislative Advocacy Committee consisting of 8 total members. The committee shall be comprised of:
- i. Four members appointed by the Georgia Municipal Association, two of whom shall be members of the Republican Party and two of whom shall be members of the Democratic Party;
  - ii. Four members appointed by the Association of County Commissioners of Georgia, two of whom shall be members of the Republican Party and two of whom shall be members of the Democratic Party.
  - iii. Members of the Legislative Advocacy Committee shall have the skills, time, expertise, and willingness to affirmatively plan, support and participate in all manner of advocacy in support of passage of a Litigation Bar.
  - iv. “Active efforts to pass a Litigation Bar” shall at a minimum include attending committee hearings on proposed Litigation Bar legislation; testifying in favor of such legislation at any hearings; engaging in press appearances in favor of Litigation Bar; attending biweekly meetings of the Legislative Advocacy Committee during each month for which the General Assembly is in session (special or regular); and lobbying members of the General Assembly and of local government entities or organizations to encourage passage of the Litigation Bar.
- e. The LGs specifically agree to comply with and support all reasonable requests directed toward obtaining passage of the Litigation Bar from the Attorney General or any other party.

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- f. This Memorandum is specifically conditioned on the passage of a Litigation Bar by the General Assembly and its approval by the Governor.
- g. The Litigation Bar shall be both retroactive and prospective, and shall cut off all current and future litigation against the Released Entities. The Litigation Bar shall only apply to Released Entities and Released Claims, and shall not apply in any way to claims or entities not otherwise released in the Opioid Settlements. For the avoidance of doubt, the Litigation Bar shall not apply to any remaining claims or causes of action pending in *In re Opiate Litigation* MDL 2804 against non-settling Defendants, or to any remaining claims or causes of action pending in *State of Georgia v. Teva Pharmaceutical Industries, LTD, et al.*, Case No. 19-A-00060-2 against non-settling Defendants.
- h. The Parties shall jointly endeavor to take all other steps necessary to release all outstanding Released Claims against the Released Parties and to obtain the Litigation Bar described in Section VI above and Exhibit 2 below concerning the parties to the National Distributor and J&J Settlements so long as this Memorandum of Understanding is in effect.
- i. The Parties shall endeavor and use their best affirmative efforts to obtain passage of the Litigation Bar in the next chronological session of the General Assembly, whether a special session or general session, and shall continue to endeavor and use their best affirmative efforts to obtain passage of the Litigation Bar until the General Assembly passes the same and it is approved by the Governor. In the event a Litigation Bar is not enacted into law by July 15, 2023, this Memorandum is null and void.
- j. It is understood by the parties to this Memorandum that the use of a Litigation Bar as contemplated in this section should not be deemed as precedent setting for future settlements in this litigation or in future litigations.
- k. Within 14 days of sign on by LG Counsel, the State shall provide proposed language for a Litigation Bar to the LGs, including language



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to implement the terms outlined herein and to otherwise satisfy the legislative requirements under the Georgia Constitution. The LGs shall have 15 days thereafter to provide a unified response to the State's proposed language, and the State may respond thereto. The Parties shall then work to attempt to reach final proposed language for a Litigation Bar. If such agreement is reached, it shall be incorporated herein to this Memorandum as Exhibit 2. In the event the LGs do not provide a response to the State's proposed language as provided, then the proposed language of the State shall become the language of the Litigation Bar and shall be incorporated herein to this Memorandum as Exhibit 2. In the event the parties do not reach agreement as to final language for a Litigation Bar by November 4, 2021, this Memorandum becomes null and void. The Parties' obligations under this Memorandum concerning a Litigation Bar, including but not limited to their obligations to make active efforts to pass the Litigation Bar, shall attach to any language incorporated herein to this Memorandum as Exhibit 2.

VII. Attorney's Fees; Costs and Expenses

- a. Consistent with Exhibit R, section I(R) of the Distributor Settlement Agreement, a Local Government Cost and Fee Fund ("LGCFF") will be created to resolve Local Government attorney fee and litigation expense obligations with contingency fee counsel who filed opioid lawsuits by September 1, 2020 and who:
  - i. Represent Participating Local Governments who are eligible for direct payments under Section III.a. of this Memorandum; or
  - ii. by agreement amongst Participating General Purpose Governments (as that term is defined in the Distributor Settlement) are determined to be eligible for reimbursement of fees and costs. Any such agreements under this Section shall be documented between counsel for Participating General Purpose Governments and the counsel who are determined to be eligible.
- b. Any contingency-fee counsel retained by Participating Local Governments who are eligible for direct payments under Section III.a.

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of this Memorandum must seek recovery from the Contingency Fee Fund established in the National Settlement.

- c. The amount of the LGCFF shall be equal to 15% of Participating Local Governments' 25% share under this Memorandum. No portion of the State's share shall be used for the LGCFF or in any other way to fund any Participating Local Government's attorney's fees and costs.
- d. Under no circumstances may counsel collect more for its work on behalf of a Participating Local Government than it would under its contingency agreement with that Participating Local Government.
- e. The amount and timing for the payments to counsel under this Memorandum shall be consistent with the percentages and timing set forth in Exhibit R § (II) (A) (1) of the Distributor Settlement Agreement and Exhibit R § (II) (A) (1) of the Janssen Settlement Agreement.
- f. Any funds remaining in the LGCFF beyond what is required to pay contingency counsels' fees and expenses for Local Governments who are eligible for direct payments under Section III.a. of this Memorandum shall revert to the Participating Local Government fund to be used for Approved Purposes as set forth in this agreement.
- g. State outside counsel shall be compensated pursuant to separate agreement between the State and its outside counsel.

**VIII. Future Agreements and Negotiations**

- a. Nothing in this Memorandum of Understanding shall bind the parties concerning any future Opioid Settlements other than the ones expressly contemplated in (1) this Agreement or (2) any amendments to this Agreement made pursuant to Section IX.B. Other than those Released Entities who are parties to the above-referenced Settlement Agreements, the parties are free to engage in settlement negotiations with any Opioid Defendants without prior consent or participation of any other party to this agreement.
- b. The Parties shall endeavor, insofar as is reasonably practicable, to keep each other apprised of future negotiations concerning future Opioid

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Settlements. Nothing in this provision shall require the parties to violate any duty, obligation, or promise of confidentiality, non-disclosure agreement, common interest agreement, court order concerning non-disclosure, or similar non-disclosure obligation concerning negotiations regarding future Opioid Settlements. For the avoidance of doubt, LGs shall not be required to disclose, among other things, any information relating to negotiations between groups of local governments and Opioid Defendants, and the State shall not be required to disclose, among other things, any information relating to negotiations between States or groups of States and Opioid Defendants.

IX. Miscellaneous

- a. This Memorandum of Understanding shall be governed by Georgia law.
- b. The parties may make amendments to this agreement as necessary. Amendments shall be in writing and shall require the written consent of all parties to this Memorandum of Understanding.
- c. Jurisdiction and venue regarding any disputes between or among the parties to this Memorandum of Understanding concerning this agreement or the interpretation thereof shall lie in the Superior Court of Gwinnett County, Georgia.
- d. This Memorandum of Understanding terminates with respect to the National Distributor or J&J Settlements, or both, in the event the State elects not to join such Settlements.
- e. This Memorandum of Understanding terminates automatically with respect to National Distributor or J&J Settlements, or both, in the event such Settlement(s) is / are terminated by the parties to them.
- f. By entering into this Memorandum, a local government agrees to participate in both the National Distributor and J&J Settlements.
- g. If any Local Government identified in the attached list of clients elects not to enter into in this Memorandum, or not to participate in the

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National Distributor Settlement and J&J Settlements, this Memorandum is voidable by the State.

\* \* \* \* \*

ATTACHED EXHIBITS:

- EXHIBIT 1: ACKNOWLEDGEMENT AND AGREEMENT TO BE BOUND TO MEMORANDUM OF UNDERSTANDING
- EXHIBIT 2: AGREED LITIGATION BAR LANGUAGE
- EXHIBIT 3: OUTSIDE COUNSEL RECOMMENDATION
- EXHIBIT 4: DISTRIBUTOR PARTICIPATION AGREEMENT
- EXHIBIT 5: J&J PARTICIPATION AGREEMENT

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**EXHIBIT**

**ACKNOWLEDGEMENT AND AGREEMENT  
TO BE BOUND BY MEMORANDUM OF UNDERSTANDING**

WHEREFORE, the undersigned, as a duly-appointed representative of the below-referenced entity, acknowledges the following:

- THE CITY OF DUNWOODY GEORGIA has received the State of Georgia and Local Governments: Memorandum of Understanding Concerning National Distributor and Johnson & Johnson Opioid Settlements.
- The undersigned is a duly-appointed representative of THE CITY OF DUNWOODY GEORGIA, and has the authority to execute this document and bind THE CITY OF DUNWOODY GEORGIA to the Memorandum of Understanding.
- THE CITY OF DUNWOODY GEORGIA is either represented by legal counsel, or has the ability to obtain advice from legal counsel, concerning the contents and implication of the Memorandum of Understanding.
- The undersigned, on behalf of THE CITY OF DUNWOODY GEORGIA, understands and acknowledges the terms of the Memorandum of Understanding, and THE CITY OF DUNWOODY GEORGIA agrees to be bound by its terms.
- No party is under duress or undue influence.

/s/ \_\_\_\_\_

Name ERIC LINTON

Title CITY MANAGER

Date \_\_\_\_\_

Entity THE CITY OF  
DUNWOODY GEORGIA

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**EXHIBIT 2**  
**AGREED LITIGATION BAR LANGUAGE**

A BILL TO BE ENTITLED

AN ACT

To authorize, under certain circumstances, a litigation bar of certain Statewide Opioid Litigation or claims for damages as a result of the Opioid Crisis on behalf of the State of Georgia, its Departments, Agencies, and Instrumentalities, any political subdivision of the State, municipal corporations, authorities, sheriffs, county and municipal officers, or any other governmental or municipal entity which has or may make a claim for damages as a result of the Opioid Crisis; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 13 of Title 10 of the Official Code of Georgia Annotated is amended by creating a new Code Chapter which shall read as follows:

CHAPTER 13B

STATEWIDE OPIOID SETTLEMENT

SECTION 2.

§ 10-13B-1 Legislative findings and purpose

The General Assembly finds as follows:

- (1) There is an opioid epidemic occurring in the United States, and Georgia has been greatly impacted;
- (2) Statewide coordination surrounding and managing opioid addiction and related disorders is critical to the health and safety of all Georgians;
- (3) Funding is needed in Georgia for, among other things, prevention and treatment of opioid addiction and related disorders; providing resources to law enforcement agencies to address the opioid crisis; increasing the number of professionals who

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provide treatment for opioid addiction; educating medical professionals regarding the safe and effective prescribing of, and then tapering off of, opioids; and treatment and prevention of opioid use disorder in incarcerated populations;

(4) It is imperative Georgia receive the full amount of any opioid settlement, and in order to do so the State of Georgia must be able to release claims for all public bodies and instrumentalities in the State of Georgia;

(5) While local governments generally have the authority to pursue and litigate claims against business and individuals to protect their own interests, in certain limited circumstances involving particular industries, the interests of the State as a whole are best served by having a unified settlement structure that benefits both the State and its local governments and brings full and complete closure to the claims that were asserted or could have been asserted and maximizes the State and local governments' potential recovery to address this extraordinary crisis.

## SECTION 3

### § 10-13B-2 Definitions

As used in this Chapter the following definitions shall apply:

(1) "Governmental Entity" means:

(A) this state and each of its departments, agencies, divisions, boards, commissions, authorities, instrumentalities; and

(B) a political subdivision or creation of this state, including a county, municipality, special district, school district, community service board, authority, any county or state officeholder and any other public officeholder or public entity which has asserted or could assert a claim for damages as a result of the manufacture, marketing, sale, dispensing, or distribution of opioids.

(2) "Released Claim" means a claim by a Governmental Entity that has been or could have been released under a statewide opioid settlement agreement.

(3) "Released Entity" means an entity against which a claim has been released under a statewide opioid settlement agreement.

(4) "Statewide Opioid Settlement Agreement" means:

(A) any settlement agreement and related documents entered into by this State through the Attorney General with opioid manufacturers, distributors, retailers, labelers, marketers, pharmacies or other entities concerning the use or prescription of opioid products; and

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(B) which relates to illegal or tortious conduct in the manufacturing, marketing, promotion, sale, distribution, or dispensing of opioids; and

(C) which was entered into by the State on or after March 31, 2021; and

(D) which provides a mechanism which permits Governmental Entities to join into such settlement agreement; and

(E) which is the subject of a memorandum of understanding or similar agreement entered into by both the Attorney General and at least sixty five percent (65%) of the Governmental Entities which have active and pending litigation against the Released Entity or Entities identified in the settlement agreement as of the date when Governmental Entities are first permitted to join such settlement agreement.

**SECTION 4****§ 10-13B-3 Entry into a Statewide Opioid Settlement Agreement With Sufficient Georgia Governmental Entity Support Shall Serve to Resolve All Past, Present and Future Opioid Legal Claims of All Georgia Governmental Entities**

Entry into a Statewide Opioid Settlement Agreement shall serve to bar any and all past, present or future claims on behalf of any Governmental Entity seeking to recover against any business or person that is a Released Entity under the terms of the relevant settlement. Such bar shall apply to any and all Released Claims or suits by any Governmental Entity created by or pursuant to an Act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive or any other relief. No such claim barred by this code section shall be brought, threatened, asserted or pursued in any way in any court and any such claim shall be dismissed by the court in which the claim is brought.

The bar shall become active and effective upon the filing of a Consent Order by the State of Georgia which attests to and shows that a Statewide Opioid Settlement Agreement has been reached, and that the parameters of this Act have been met.



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**EXHIBIT**

**CITY ATTORNEY RECOMMENDATION**

\* \* \* \* \*

WHEREFORE, PREMISES CONSIDERED, each of the undersigned has attached a complete list of all LG entities that they represent. As counsel for their respective clients, the undersigned acknowledge that they were active participants in the formation of this Memorandum, were not subject to duress or undue influence, and acknowledge and agree that the execution of this Memorandum, and participation in the National Distributor Settlement and the J&J Settlement is in the best interest of their clients.

Therefore, in compliance with all ethical obligations owed to their clients, the undersigned agree to recommend execution of this Memorandum and full participation in the National Distributor and J&J Settlements to each of their respective clients and move immediately to obtain from their respective clients execution of this Memorandum.

---

William F Riley, Jr.  
Asst. City Attorney  
Riley McLendon, LLC

COUNSEL FOR CITY OF DUNWOODY, GEORGIA

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**EXHIBIT 4**

**DISTRIBUTOR PARTICIPATION AGREEMENT**

**Subdivision Distributor Settlement Participation Form**

Governmental Entity: City of Dunwoody	State: GA
Authorized Official: Eric Linton	
Address 1: 4800 Ashford Dunwoody Road	
Address 2:	
City, State, Zip: Dunwoody GA 30338	
Phone:678-382-6700	
Email: eric.linton@dunwoodyga.gov	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“*Distributor Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

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5. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Distributor Settlement.
7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.
10. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state

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or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.

11. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Participation Form is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.

12. The effective date of this Participation Form shall be the date on which the State of Georgia enters into the Distributor Settlement. In the event that the State of Georgia elects not to enter into the Distributor Settlement, this Participation Form shall be null and void and shall confer no rights or obligations on the State of Georgia, the Released Entities (as defined in the National Settlement Agreement dated July 21, 2021), or the Governmental Entity.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity.

Signature: \_\_\_\_\_  
Name: Eric Linton  
Title: City Manager  
Date: \_\_\_\_\_

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**EXHIBIT 5**

**J&J PARTICIPATION AGREEMENT**

**Janssen Settlement Participation Form**

Governmental Entity: City of Dunwoody	State: GA
Authorized Official: Eric Linton	
Address 1: 4800 Ashford Dunwoody Road	
Address 2:	
City, State, Zip: Dunwoody GA 30338	
Phone: 678-382-6700	
Email: eric.linton@dunwoodyga.gov	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.

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6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her,

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would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

10.Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.

11.The effective date of this Participation Form shall be the date on which the State of Georgia enters into the Janssen Settlement. In the event that the State of Georgia elects not to enter into the Janssen Settlement, this Participation Form shall be null and void and shall confer no rights or obligations on the State of Georgia, the Released Entities (as defined in the National Settlement Agreement dated July 21, 2021), or the Governmental Entity.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_  
Name: Eric Linton  
Title: City Manager  
Date: \_\_\_\_\_



3800 CORPORATE WOODS DRIVE  
BIRMINGHAM, ALABAMA 35242  
P: 205.278.7000 | F: 205.278.7001  
WWW.FRIEDMAN-LAWYERS.COM

November 3, 2021

### **Opioid Litigation Update**

We are happy to announce that the State of Georgia and its local governments have reached an agreement with the Distributor Defendants (McKesson, AmerisourceBergen, Cardinal Health) and Janssen (a wholly owned subsidiary of Johnson & Johnson) over its role in the Opioid Litigation. In order to effectuate this settlement, and explain the settlement to you, we will need to get on the agenda for your next City/County meeting. Our meeting needs to take place in executive session due to the ongoing nature of the litigation. Please let us know, as soon as possible, when the next meeting is set to take place, so we can get it on the calendar and set up a Zoom link. **As with all of our communications, please do not share this letter in order to preserve the attorney-client privilege.**

As you may already know, these four Defendants (the “Defendants”) agreed to a national global settlement framework with all States and their local governments. Each State had the opportunity to join the settlement or “opt out.” Most of the States agreed to and signed onto the national settlement. The State of Georgia originally opted out of the national global settlement. However, after a lot of hard work and negotiation, the State of Georgia has agreed to opt back into the national settlement, but only if the local governments agree to the national settlement.

One thing to note about the national settlement is that there are “default” mechanisms which specify where any settlement monies go and how the settlement monies can be spent. In lieu of these default provisions, the State of Georgia and its local governments are allowed to enter into an alternate agreement for allocation of the settlement funds. In our opinion, the default provisions in the national deal were unfavorable to the local governments. For this reason, we reached out to the State of Georgia in an attempt to negotiate a more favorable allocation agreement. We were successful in negotiating a more favorable allocation agreement with the State of Georgia, which we will discuss with you, in detail, in executive session.



Under the national global settlement framework, the State of Georgia will receive up to \$633 million from these Defendants, paid over time. The total amount of the settlement is contingent on the local governments also agreeing to the national settlement framework. If any local governments decide to opt out of the settlement, then the State of Georgia and the rest of its local governments will be punished and the amount of the settlement will decrease (in a disproportionate amount to that local government's actual share of the settlement funds). Please know that we have worked with the State of Georgia, on the front end, to try and prevent any of these "punishments" or decreases, which we believe is in the best interest of the State, as a whole.

Under the allocation agreement with the State of Georgia, any settlement funds received by the State of Georgia will be split, as follows:

- 25% paid directly to the local governments, on a pro rata basis, to be spent on "approved purposes" for abatement of the opioid epidemic;
- 35% paid directly to the State of Georgia to be spent on "approved purposes" for abatement of the opioid epidemic; and
- 40% paid to the State of Georgia to be allocated to the local governments on a regional basis, and overseen by local regional advisory councils, which will be spent on "approved purposes" for abatement of the opioid epidemic.

All of the settlement funds will be spent in the State of Georgia to abate the opioid crises. The allocation agreement ensures that these funds will be spent not only at the State level, but at the regional and local levels, as well. 65% or more of the settlement funds are guaranteed to be distributed to the local governments through either a direct distribution or a regional distribution. Furthermore, the State of Georgia will allocate its funds to many statewide programs that will have direct impact on local communities.

It is our opinion that it is in your best interest, and the best interests of all of the local governments in the State of Georgia, to agree to the national settlement framework and the allocation agreement with the State of Georgia. Any questions you have can be answered at the upcoming executive session meeting. In order to effectuate this settlement and allocation agreement, we will need someone with authority from the City/County to sign the Participation Agreements with the

Distributors and Janssen, as well as the MOU with the State of Georgia. These documents will be provided in the near future.

If you have any questions in the meantime, please do not hesitate to reach out to us. We appreciate your prompt attention to this matter and to getting us on the next agenda. Once again, please keep this communication confidential.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matt Conn', with a long horizontal flourish extending to the right.

Matt Conn

MC/tm