



CITY OF NOVI CITY COUNCIL
MARCH 4, 2024

SUBJECT: Approval of participating in the Opioid Litigation settlements with McKinsey & Company, Approving the Bankruptcy organization of opioid manufacturer Endo International plc, and authorizing acceptance of additional opioid settlements and plans.

SUBMITTING DEPARTMENT: CITY ATTORNEY

BACKGROUND INFORMATION:

The City of Novi has previously opted into settlements with several companies involved in the manufacture, distribution, and sale of opioids. Settlements with additional companies are still being worked out. A settlement was recently reached with McKinsey & Company, which is a consulting firm alleged to have provided misleading advertising for the promotion of opioids. This settlement is separate from the previous settlements the City has participated in.

In order to receive settlement funds from this litigation, the City must agree:

- i. To the settlement terms;
- ii. To release claims against McKinsey & Company;
- iii. That monies received can only be spent on opioid remediation and;
- iv. Consent to the jurisdiction of the Court where the Settlement Judgment is filed.

The City also received notification that it is considered a holder of a claim in the bankruptcy reorganization plan of Endo International, PLC, a former manufacturer of an opioid drug. To be eligible for funds from Endo International, the City was asked to vote to accept the reorganization plan, which requires approval from the bankruptcy court before funds can be set aside for distribution to local governments.

RECOMMENDED ACTION:

1. Approval of participating in the opioid litigation settlement with McKinsey & Company and agreeing to the terms of the settlement and the release of claims against the company, agreeing that the funds will be used for opioid remediation.
2. Approval of voting to accept the bankruptcy reorganization plan of Endo International.

3. Approval of authorizing the City Manager to take such further action as is necessary to receive the settlement funds and approving the bankruptcy plan.

4. Since there may be additional opioid settlements and bankruptcy reorganizations, authorizing the City Manager to take the necessary actions to accept the settlement terms, funds and reorganization plans as long as the City Attorney does not have any legal concerns with the settlement or reorganization terms and the funds are used as required by the settlements or plans.

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

RESOLUTION ACCEPTING OPIOID LITIGATION SETTLEMENT FUNDS FROM MCKINSEY & COMPANY, APPROVING BANKRUPTCY REORGANIZATION FOR ENDO INTERNATIONAL AND AUTHORIZING ACCEPTANCE OF ADDITIONAL OPIOID RELATED SETTLEMENTS AND PLANS

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on March 4, 2024, at 7:00 P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, The City of Novi has previously opted into and has begun receiving funds from national opioid litigation settlements reached against the three largest pharmaceutical distributors, McKesson, Cardinal Health and AmerisourceBergen and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson as well as from settlements from national pharmacies, CVS, Walmart and Walgreens and against two pharmaceutical companies, Teva Pharmaceutical Industries and AbbVie/Allergan. All these settlements relate to the role of these companies in the manufacture, distribution, sale and marketing of opioids.

WHEREAS, The City of Novi was recently notified that it is eligible to receive funds from an additional lawsuit settlement reached with McKinsey & Company, a consulting firm, which is alleged to have created misleading advertising campaigns for opioids. This settlement is separate from the previous national opioid settlements. In order to receive these settlement funds, the City must agree to the terms of the McKinsey and Company settlement.

WHEREAS, The City of Novi has also received notice that it is considered a holder of a claim in the bankruptcy reorganization plan of Endo International, PLC, a former manufacturer of an opioid pharmaceutical. To be eligible for funds from Endo International, the City was asked to vote to accept the reorganization plan, which requires approval from the bankruptcy court before funds can be set aside for distribution to local governments.

WHEREAS, Since it is likely that there may be additional opioid litigation settlements or plans of reorganization for companies involved in activities relating to the opioid crisis,

the City Council desires to authorize the City Manager to accept the settlement terms and reorganization plans and funds as long as the City Attorney does not have any legal concerns with the settlement or reorganization terms.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City of Novi accepts the terms and funds from the McKinsey & Company settlement and accepts the reorganization plan for Endo International and authorizes the City Manager to take all necessary action for the settlement and reorganization.
2. The City of Novi further authorizes the City Manager to take the necessary actions to accept additional opioid settlement funds and opioid related plans of reorganization, as long as the City Attorney reviews the terms and does not have any concerns with the settlement or reorganization and the funds are used as required by the settlement or plan.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held this 4th day of March 2024.

Cortney Hanson, City Clerk
City of Novi