

# **TOWN** *Of* **PARADISE VALLEY**



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## **STAFF REPORT**

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**TO:** Mayor Mark Stanton and Town Council Members

**FROM:** Andrew B. Ching, Town Manager  
Andrew J. McGuire, Town Attorney

**DATE:** September 11, 2025

**DEPARTMENT:** Town Attorney's Office  
Deborah Robberson, 480-348-3609

**AGENDA TITLE:**

Discussion and Action to ratify and approve participation in the Purdue Direct Settlement and approve the Town's participation in future national opioid settlements, including the proposed Secondary Opioid Manufacturers Settlement Agreement, and authorize the Mayor or Town Manager to complete and execute the necessary participation and release forms, waiving future claims against each defendant related to the national opioid epidemic in order to participate in the national settlements.

**RECOMMENDATION:**

Ratify and approve participation in the Purdue Direct Settlement and approve the Town's participation in future national opioid settlements, including the Secondary Opioid Manufacturers Settlement Agreement, and authorize the Mayor or Town Manager to complete and execute the necessary participation and release Forms.

**SUMMARY STATEMENT:**

The opioid epidemic led to national litigation against certain members of the prescription opioid supply chain, including manufacturers and distributors. This litigation has resulted in a series of national settlements.

The Town is currently a participant in several national settlements:

2021 settlements with Johnson & Johnson and the distributors: McKesson, Cardinal Health, and AmerisourceBergen (the "2021 National Settlements");

2022 settlements with five more defendants: Teva, Allergan, Walmart, Walgreens, and CVS (the "2022 National Settlements"); and

2024 settlement with The Kroger Co.

Funds from national settlements are distributed in accordance with the One Arizona Distribution of Opioid Settlement Funds Agreement, which the Council approved on October 21, 2021. The Town's share has been set at .34% of funds distributed to Maricopa County local governments. Approximately \$ 268,405 has been distributed to the Town through FY25. Use of the settlement funds is restricted to strategies related to opioid prevention, treatment, recovery and harm reduction.

Two additional national settlements are currently proposed: 1) the "Purdue Direct Settlement" with Purdue Pharma L.P. and the Sackler family in the aggregate amount of \$7.4 billion; and 2) the "Secondary Manufacturers Settlements" with eight opioids manufacturers (Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus) with a maximum value of approximately \$720 million. The attached Settlement Overviews provide more detailed information on the terms of the settlements.

To participate in these settlements the Town must "opt in" by executing participation and release forms, pursuant to which the Town forever waives any and all claims against the settling defendants related to their role in the opioid epidemic. In exchange, the Town will receive a share of settlement payments calculated pursuant to the One Arizona Agreement.

To ensure compliance with submission requirements, the Town Manager executed the necessary documents to participate in the Purdue Direct Settlement and the requested action by the Council is to ratify and approve participation in that settlement.

In addition, Council is requested to approve the Town's participation in all future national opioid settlements, including the currently proposed Secondary Opioid Manufacturers Settlement Agreement, and authorize the Mayor or Town Manager to complete and execute the necessary participation and release of claims forms.

**BUDGETARY IMPACT:**

1. The total distribution to Paradise Valley is not known at this time and may depend on the rate of participation by states and subdivisions.
2. The exact timing or amounts of payments is not known at this time and may depend on the rate of participation by states and subdivisions.
3. The use of funds will be heavily restricted as set forth in the settlement.

**ATTACHMENTS:**

- A. Staff Report
- B. Purdue Pharma L.P. & Sackler Family Settlement Overview
- C. Settlement Overview Memo to Local Governments re: Secondary Manufacturers Settlement
- D. Purdue Subdivision Participation and Release Form (Executed)
- E. Documentation to Participate in the New National Opioids Secondary Manufacturers Settlements