

<u>TO LOCAL POLITICAL SUBDIVISIONS:</u> IMPORTANT INFORMATION ABOUT NEW OPIOID SETTLEMENT WITH PURDUE AND SACKLER FAMILY. SUBDIVISIONS MUST SUBMIT SIGNED DOCUMENTATION TO PARTICIPATE. THE DEADLINE FOR PARTICIPATION IS SEPTEMBER 30, 2025.

This email is a follow up to the formal notice sent by the National Opioid Settlements Implementation Administrator.

If your subdivision is represented by an attorney with respect to opioid claims, please immediately contact them.

Please note that this settlement is a <u>NEW</u> opioid settlement; your subdivision may have previously submitted documents for the Distributors, Janssen/J&J, Endo, Teva, Allergan, Walmart, Walgreens, CVS, Mallinckrodt, and Kroger settlements.

To participate in this NEW Purdue/Sackler settlement, your subdivision must submit new documentation.

WHY IS YOUR SUBDIVISION RECEIVING THIS EMAIL?

Texas subdivisions are entitled to decide whether they wish to participate in the Purdue settlement. Any subdivision that does <u>not</u> participate is not eligible to receive any of the settlement funds. Please read this information carefully and print or save it for future reference.

You are receiving this email because the State of Texas is participating in the Purdue Direct Settlement, and your subdivision may participate in this Settlement. You likely received an email notice last Thursday, July 8, 2025, from the National Opioid Settlements Implementation Administrator (opioidsparticipation@rubris.com). This information is a follow up to the Implementation Administrator email and is being sent directly to subdivisions who have not litigated against Purdue or the Sackler family. If your subdivision is represented by an attorney with respect to opioid claims, please immediately contact them. Please note that there is no need for subdivisions to be represented by an attorney or to have filed a lawsuit to participate in the Purdue Direct Settlement.

This is a new settlement. Even if your subdivision has already signed on to other opioid settlements and adopted the Texas Term Sheet, **do not disregard this notice.**

HOW DO YOU PARTICIPATE IN THE NEW SETTLEMENT?

The Texas Attorney General's Office is collecting the executed Participation Form in this settlement differently from prior opioid settlements. Next week, your subdivision will receive an email with a package from Rubris, the National Opioid Settlements Implementation Administrator, with the Participation Form for the Purdue Direct Settlement. Your subdivision must execute and return the Participation Form and any supporting documentation to the Implementation Administrator using one of the following three options:

- (1) *Electronic Signature via DocuSign*: Executing the *Participation Form* electronically through DocuSign will return the signed form to the Implementation Administrator and associate your form with your subdivision's records. Electronic signature is the most efficient method for returning the *Participation Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via DocuSign*: DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning a manually signed *Participation Form* via DocuSign will associate your signed forms with your subdivision's records.
- (3) Manual Signature returned via electronic mail: If your subdivision is unable to return an executed Participation Form using DocuSign, the signed Participation Form may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and reference ID of your subdivision in the body of the email and use the subject line Settlement Participation Form [Subdivision Name, Subdivision State] [Reference ID].

Your subdivision must execute and submit all required documentation on or before September 30, 2025, to receive funds from the Purdue Direct Settlement. If you have any questions about executing the *Participation Form*, please contact your counsel, the Implementation Administrator at opioidsparticipation@rubris.com, or the Office of the Texas Attorney General at opioids@oag.texas.gov.

Please note that this is NOT a solicitation or a request for subdivisions to submit votes on the Purdue bankruptcy plan. The settlement package from the National Opioid Settlements Implementation Administrator only pertains to your subdivision's decision to participate in the Purdue Direct Settlement. If you receive a package to vote on the plan you should follow the applicable instructions for voting. **PLEASE NOTE THAT VOTING ON THE PLAN IS SEPARATE FROM PARTICIPATION IN THE PURDUE DIRECT SETTLEMENT.**

SETTLEMENT OVERVIEW

The proposed settlement (the "Purdue Settlement") is being implemented in connection with Purdue's bankruptcy proceedings, and consists of, among other things, the "Purdue Estate Settlement" (a settlement of Purdue's claims against the Sacklers and certain other parties), and the "Purdue Direct Settlement" (settlement of direct claims against the Sacklers held by States, local governments and other creditors, collectively). The Purdue Direct Settlement for States and local governments is detailed in the Governmental Entity and Shareholder Direct Settlement Agreement, which is available at: https://nationalopioidsettlement.com/purdue-sacklers-settlements/.

Combined, the Purdue Estate Settlement and Purdue Direct Settlement require Purdue and the Sackler family to pay an estimated \$286 million (the "Settlement Amount") over 15 years to Texas and its political subdivisions. Of the Settlement Amount, the vast majority is earmarked for use by Texas and its subdivisions to remediate and abate the impacts of the opioid crisis. The Settlement also contains injunctive relief provisions governing the opioid marketing practices at the heart of the opioid claims in the lawsuits.

WHERE CAN YOU FIND MORE INFORMATION?

This email is intended to provide a brief overview of the Purdue Settlement. Detailed information about the Settlement may be found at the national settlement website: https://nationalopioidsettlement.com/purdue-sacklers-settlements/ and will soon be available at the website set up by Office of the Attorney General of Texas: https://www.texasattorneygeneral.gov/globalopioidsettlement.

WHY YOU SHOULD PARTICIPATE

The State of Texas supports this settlement.

Subdivision participation is strongly encouraged, for the following reasons:

First, the amounts to be paid under the Settlement, while insufficient to abate the epidemic fully, will contribute to Texas and its local governments' ability to implement meaningful changes designed to curb opioid addiction, overdose, and death. However, as with preceding opioid settlements including the 2021 Distributors and Johnson & Johnson/Janssen settlements, the 2022 Teva and Endo settlements, the 2023 Mallinckrodt bankruptcy settlement, the 2023 Allergan, CVS, Walmart, and Walgreens settlements, and the 2024 Kroger settlement, the monetary relief provided by the Purdue Settlement will only be available to participating subdivisions;

Second, time is of the essence. The opioid epidemic continues to devastate communities around the country and rapid distribution of funds is critical to community governments' abilities to address the epidemic *as soon as possible*; and

Third, you know first-hand the effects of the opioid epidemic on your community. As leaders in your subdivision, you know best how best to utilize funds from this settlement to further abate the crisis, provide relief to your citizens, and strengthen your community against the devastation of the opioid crisis. With your help, Texas can quickly finalize this settlement for the betterment of your community even as we continue to fight for you in litigation and settlement discussions against numerous other defendants in the opioid industry.

HOW WILL SETTLEMENT FUNDS BE ALLOCATED IN TEXAS?

The Texas Term Sheet, which sets the allocation between subdivisions and the State, can be found on the Texas Attorney General's website. Any questions concerning the status or terms of the Texas Term Sheet and allocations in Texas can be directed to the Texas Attorney General's Office.

You may be contacted by the Texas Attorney General's Office with additional information regarding the allocation of settlement funds in Texas. Subdivisions with representation can expect information from their counsel. We encourage you to review all materials and to follow up with any questions. The terms of these settlements are complex, and we want to be sure you have all the information you need to make your decision.

As with the other opioid settlements, the Texas Comptroller of Public Accounts and the Texas Opioid Council will disburse funds to participating political subdivisions in Texas.

NEXT STEPS

This settlement requires that you take affirmative steps to 'opt in' to the settlement. If you do not act, you will not receive any settlement funds from the Purdue Direct Settlement.

First, have your authorizing person(s) or body begin to review the materials on the <u>website</u> concerning the settlement agreement terms. Develop a list of questions for your counsel or the Texas Attorney General's Office. The Texas Attorney General's Office cannot give you legal advice. Your subdivision will need to begin the process of deciding whether to participate in the proposed settlement, and subdivisions are encouraged to work through this process well before the **September 30**, **2025**, deadline. Again, the Texas Attorney General's Office, your counsel, and other contacts within the state are available to discuss the specifics of the settlements and we encourage you to discuss the terms and benefits of the settlements with them.

Second, should you decide to participate, your subdivision will need to submit a fully executed Subdivision Participation Form through one of the three methods outlined above.

IMPORTANT: This settlement package only pertains to your decision to participate in the Purdue Direct Settlement. Certain eligible subdivisions will be receiving packages to vote on the Purdue bankruptcy plan from Kroll, the Claims and Noticing Agent in the Purdue bankruptcy. If Kroll sends your subdivision a package to vote on the bankruptcy plan, you should follow the applicable

instructions for voting. VOTING ON THE BANKRUPTCY PLAN IS <u>SEPARATE</u> FROM AND DOES <u>NOT</u> FULFILL PARTICIPATION REQUIREMENTS OF THE PURDUE DIRECT SETTLEMENT.

If you have any questions about executing the *Participation Form*, please contact your counsel, the Implementation Administrator at <u>opioidsparticipation@rubris.com</u>, or the Office of the Texas Attorney General at <u>opioids@oag.texas.gov</u>.

We to view the National Opioids Settlement website urge you (https://nationalopioidsettlement.com/purdue-sacklers-settlements/) and the Texas Attorney General's website (https://www.texasattorneygeneral.gov/globalopioidsettlement) at your earliest convenience. Information and documents regarding the settlement can be found on the settlement website. Questions regarding the opioid settlements can be directed to: opioids@oag.texas.gov and opioidsparticipation@rubris.com.

FREQUENTLY ASKED QUESTIONS

1. My subdivision already signed up for opioid settlements, is that good enough for this new settlement?

No. Your subdivision must submit a **Subdivision Participation Form** for the Purdue Direct Settlement; opting into earlier settlements does not sign you up for this one.

2. My subdivision adopted the Texas Term Sheet when we joined earlier settlements, do we need to repeat that step?

If your subdivision has already adopted the Texas Term Sheet to sign on to a previous opioid settlement, you do NOT need to adopt an additional resolution to readopt the Texas Term Sheet.

3. My subdivision voted on the Purdue bankruptcy plan back in 2021. Do I need to do anything now?

Yes. This is a new settlement with Purdue and the Sackler family following the Supreme Court's reversal of the prior Purdue bankruptcy plan.

4. Does my subdivision need to pass a resolution to sign up for this settlement?

This depends on the specifics of what your county or city is required to do to release legal claims. If your city manager, for example, is authorized to generally enter into opioid settlements, you may not need a resolution. Consult your legal counsel for advice.

5. When will my subdivision receive funds from this settlement and/or the other settlements?

Funds for the Distributors, J&J/Janssen, Endo, Teva, Allergan, CVS, Walmart, Walgreens, Mallinckrodt, and Kroger settlements have been paid to the Texas Comptroller of Public Accounts and the Texas Opioid Council, and those funds continue to be distributed to participating subdivisions.

For any questions you have about the timing of paid funds, please reach out to the Texas Comptroller of Public Accounts. You can reach them at: <u>OAFC.Public@cpa.texas.gov</u>. There is also a website with <u>Subdivision Disbursements</u> here.

For questions you may have about payment(s) received or specific accounting information, please reach out to the Texas Treasury Safekeeping Trust Company at: <u>opioidabatementfund@ttstc.texas.gov</u>

6. How much will my subdivision receive from the Purdue Settlement?

Your subdivision's percentage of the settlement remains static from previous settlements, and it is available at the Comptroller's Subdivision Disbursements website and the Texas Term Sheet. If you have further questions about your subdivision's individual allocation amount, please contact <u>opioids@oag.texas.gov</u>.

7. What are all the different Texas opioid settlements?

Here is a summary of all the opioid settlements between Texas and its political subdivisions and the various manufacturers, distributors, and retail pharmacies:

Date Announced	Company	Amount
February 2021	McKinsey	\$38.4 million
July 2021	AmerisourceBergan,	\$1.271 billion
	Cardinal Health, and	
	McKesson	
July 2021	Janssen	\$296.9 million
December 2021	Endo	\$63 million
February 2021	Teva	\$150 million plus \$75 million
		in product plus \$57 million
		from MFN
June 2021	Mallinckrodt	\$26.6 million
December 2022	Allergan	\$135.7 million
December 2022	Walmart	\$170 million
December 2022	CVS	\$300.3 million
December 2022	Walgreens	\$326.6 million
February 2024	Publicis	\$21.5 million
October 2024	Kroger	\$83 million
June 2025	Purdue	\$286.5 million
Total	14 companies	\$3.302 billion