

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

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**Resolution Authorizing Entry of Participation Agreements in Partial Settlement of the National Prescription Opiate Litigation and Entry of State and Local Government Intrastate Agreement Concerning Allocation of Settlement Proceeds – County Administration**

**WHEREAS,** Livingston County filed a lawsuit to address the public nuisance that is the Opioid Epidemic, which named, among other companies, the following four Defendants (“Settling Defendants”):

1. Teva Pharmaceuticals Industries Ltd. (a prescription opioids manufacturer);
2. Allergan Finance, LLC (a prescription opioids manufacturer);
3. CVS Health Corp. and CVS Pharmacy, Inc. (a prescription opioids distributor); and
4. Walmart, Inc. (a prescription opioids distributor);

**WHEREAS,** the Settling Defendants have negotiated proposed national settlement agreements (“Proposed Settlements”) with the State Attorneys General, and a Plaintiff Executive Committee-designated negotiating committee that represents approximately 4,000 local governments that have brought lawsuits similar to Livingston County’s lawsuit; and

**WHEREAS,** the Proposed Settlements contain significant equitable and monetary relief, including:

1. An agreement to pay (a) up to \$3.34 billion over the next 13 years by Teva; (b) up to \$2.02 billion over 7 years by Allergan; (c) \$4.9 billion over the next ten years by CVS; and (d) \$2.74 billion within six years by Walmart. The bulk of each of these payments will be dedicated to funding abatement and prevention strategies associated with the opioids public nuisance; and
2. An agreement by Teva and Allergan to abide by strict limitations on their marketing, promotion, sale, and distribution of opioids, including a ban on (a) promotion and lobbying; (b) rewarding or disciplining employees based on volume of opioid sales; and (c) funding or grants to third parties; and
3. An agreement by CVS and Walmart to implement changes in how they handle opioids, including requirements addressing: their compliance structures; pharmacist judgment; diversion prevention; suspicious order monitoring; and reporting on red-flag processes, as well as blocked and potentially problematic prescribers.

**WHEREAS,** Livingston County previously executed Participation Agreements for the Distributor and Janssen Settlements, which have conferred and continue to confer valuable benefits; and

**WHEREAS,** the Proposed Settlements each contain a “default” allocation method where settlement funds that are allocated to a particular state to resolve the claims asserted by state and local governments within that state are allocated as follows:

- 15% of settlement proceeds paid under the Proposed Settlements are allocable to the State;
- 15% of the settlement proceeds are allocable to local governments; and
- 70% of the settlement proceeds are allocable to an opioid abatement fund.

**WHEREAS,** the Proposed Settlements enable the state and local governments within a State to negotiate alternative allocation methods to the “default” allocation method referenced above; and

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**WHEREAS,** Livingston County desires to enter into an alternative allocation method which allocates settlement funds on a 50/50 basis to:

1. Participating Local Governments who have elected to participate in the Proposed Settlements; and
2. the State of Michigan.

**WHEREAS,** Livingston County previously executed the Michigan State-Subdivision Agreement for Allocation of Distributor Settlement Agreement and Janssen Settlement Agreement, which allocated funds attributed to the State of Michigan in a streamlined and equitable manner.

**THEREFORE BE IT RESOLVED,** Livingston County authorizes the County Administrator to proceed with the execution of Participation Agreements for: (1) the Master Settlement Agreement with Teva Pharmaceuticals Industries Ltd.; (2) the Master Settlement Agreement with Allergan Finance, LLC; (3) the Master Settlement Agreement with CVS Health Corp. and CVS Pharmacy, Inc.; and (4) the Master Settlement Agreement with Walmart, Inc., each of which are listed and available to the public at <https://nationalopioidsettlement.com/>. Specimen copies of the material terms of the participation agreements are attached as Exhibit A to this resolution.

**BE IT FURTHER RESOLVED,** Livingston County also authorizes the execution of a new Michigan State-Subdivision Agreement for Allocation of Allergan, Teva, CVS, and Walmart Settlement Agreements substantially similar to the proposed agreement attached as Exhibit B to this resolution. Livingston County also authorizes the County Administrator to proceed with the execution of a similar state-subdivision agreement to the extent that it provides a substantially similar allocation of settlement or bankruptcy proceeds obtained from opioids litigation with any other entity.

**BE IT FURTHER RESOLVED,** for the avoidance of doubt, Livingston County also authorizes its continued participation in the Distributor Settlement Agreement, the Janssen Settlement Agreement, and the Michigan State-Subdivision Agreement for the Allocation of Distributor Settlement Agreement and Janssen Settlement Agreement, all previously executed.

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**MOVED:**  
**SECONDED:**  
**CARRIED:**