

**STAFF REPORT**  
**BOARD MEETING DATE: June 8, 2021**

**DATE:** June 7, 2021  
**TO:** Board of County Commissioners  
**FROM:** Christopher J. Hicks, District Attorney, [chicks@da.washoecounty.us](mailto:chicks@da.washoecounty.us).

David L. Watts-Vial, Washoe County Assistant District Attorney, Civil  
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Robert Eglet, Richard Hy, Erica Entsminger, Eglet-Adams.

**SUBJECT:** Update from outside counsel for Washoe County on various opioid litigation related cases and issues including (1) Washoe County v. Teva Pharmaceuticals, et. al., CV20-01142, filed in the Second Judicial District Court; (2) the status of national opioid litigation cases in other jurisdictions; (3) update on a settlement between the State of Nevada and other states with McKinsey and Co.; (4) discussion on developments in opioid related bankruptcy filings by opioid companies including Purdue Pharma and (5) update on a bankruptcy plan currently being drafted in the Purdue Pharma bankruptcy case. Robert Eglet, Richard Hy, Erica Entsminger, Eglet Adams. (All Commissioner Districts.)  
FOR POSSIBLE ACTION

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**SUMMARY**

Outside counsel for Washoe County will provide an update on various opioid litigation related cases and issues including (1) Washoe County v. Teva Pharmaceuticals, et. al., CV20-01142, filed in the Second Judicial District Court; (2) the status of other national opioid litigation cases in other jurisdictions; (3) update on a settlement between the State of Nevada and other states with McKinsey and Co., (4) discussion on developments in opioid related bankruptcy filings by opioid companies including Purdue Pharma and (5) update on a bankruptcy plan currently being drafted in the Purdue Pharma bankruptcy case.

**PREVIOUS ACTION**

March 26, 2019 the Board approved an agreement for legal services with Eglet Prince, LLP and Bradley, Drendel & Jeanney to represent Washoe County agencies in litigation for damages suffered from the actions of manufacturers, distributors and dispensers of opioid-based drugs, and to authorize the filing of actions against such entities.

July 24, 2020 the complaint was filed against numerous corporate defendants.

## **BACKGROUND**

After the Board hired outside counsel to represent Washoe County in opioid-related litigation matters a complaint was filed in the Second Judicial District Court. Counsel has filed actions in state district court and claims in bankruptcy actions across the country and is now present to provide an update on the litigation in which the County is directly involved as well litigation and bankruptcies in other opioid cases brought by other jurisdictions.

In addition to the general update on opioid cases across the country as described in the subject line, counsel is asking the Board to take action to allow counsel to cast the County's vote to approve or reject the final proposed bankruptcy plan consistent with the other members of the MSGE on or before July 14, 2021. The MSGE consists of attorneys representing similarly situated cities and counties who coordinate legal strategies and exchange information about opioid lawsuits. The bankruptcy plan provisions are included in a May 15, 2021 draft entitled "National Opioid Abatement Trust Distribution Procedures" attached to the staff report and which addresses subjects including payouts to claimants such as Washoe County, opioid abatement strategies, approved uses for funds, and state allocation percentages. The current draft calls for the State of Nevada and its localities to receive 1.2% of the total bankruptcy fund amount of \$4.275 billion.

The bankruptcy plan continues to be refined by counsel for Purdue and the MSGE, and the MSGE wants to vote as a block in favor or against the Plan proposed by Purdue depending on the final terms that Purdue offers. Because the process is ongoing and it is unknown when the final proposed plan will be submitted for a vote of the claimants in the bankruptcy action, and because the vote must be made by July 14, 2021, counsel is seeking authority to cast the County's vote along and consistent with the other members of the MSGE.

## **FISCAL IMPACT**

Unknown, however, if the bankruptcy plan is approved the County would receive money to be used for the purposes described in the plan.

## **RECOMMENDATION**

Staff recommends the Board accept the updates from outside counsel for Washoe County on various opioid litigation related cases and issues including (1) Washoe County v. Teva Pharmaceuticals, et. al., CV20-01142, filed in the Second Judicial District Court; (2) the status of national opioid litigation cases in other jurisdictions; (3) update on a settlement between the State of Nevada and other states with McKinsey and Co.; (4) discussion on developments in opioid related bankruptcy filings by opioid companies including Purdue Pharma and,

Direct outside counsel to (5) cast the County's vote to approve or reject a bankruptcy plan consistent with other members of the Multi-State Government Entities ("MSGE") in the Purdue Pharma Bankruptcy Case No. 19-23649 filed in the United States Bankruptcy Court Southern District Of New York.

**POSSIBLE MOTION**

A possible motion would be to:

Accept the updates from outside counsel for Washoe County on various opioid litigation related cases and issues including (1) Washoe County v. Teva Pharmaceuticals, et. al., CV20-01142, filed in the Second Judicial District Court; (2) the status of national opioid litigation cases in other jurisdictions; (3) update on a settlement between the State of Nevada and other states with McKinsey and Co.; (4) discussion on developments in opioid related bankruptcy filings by opioid companies including Purdue Pharma and,

Direct outside counsel to (5) cast the County's vote to approve or reject a bankruptcy plan consistent with other members of the Multi-State Government Entities ("MSGÉ") in the Purdue Pharma Bankruptcy Case No. 19-23649 filed in the United States Bankruptcy Court Southern District Of New York. Robert Eglet and Richard Hy, Eglet Adams. (All Commissioner Districts) FOR POSSIBLE ACTION.