

Press Release

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FOR IMMEDIATE RELEASE

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SAFE Glen Cove Coalition: Purdue Pharma Bankruptcy Plan

According to The New York Times, if approved by a judge next month, the Purdue Pharma bankruptcy plan would resolve thousands of lawsuits and set in motion the release of \$4.5 billion to help cover costs from the opioid epidemic. A majority of Purdue Pharma creditors have voted to approve the company's bankruptcy plan, a key step toward the eventual release of more than \$4.5 billion dollars to help pay for the costs of the opioid epidemic and the resolution of thousands of lawsuits against the company and its owners, the Sackler family.

Preliminary counts of voting by cities, states, tribes, insurers, families and caregivers of babies born with symptoms of withdrawal from being exposed to opioids in utero shows that 95 percent favor the plan. Under the plan, the Sacklers would relinquish control of Purdue. The restructured company would re-emerge with a new name, and be run by an independently appointed board. Profits from sales of its signature prescription painkiller, OxyContin, and addiction-reversal drugs would flow into creditors' trusts that would fund addiction prevention and treatment programs.

Over the past two decades, more than 500,000 people in the United States have died from overdoses of prescription and illegal opioids, including a record annual number in 2020. Purdue, widely believed to have helped ignite the problem by downplaying the addictive potential of OxyContin and aggressively marketing the drug with misleading campaigns, pleaded guilty to two separate investigations by the Justice Department. For the bankruptcy plan to take effect, Judge Robert Drain of the U.S. Bankruptcy Court for the Southern District of New York must sign off and now made even more likely by the results of the creditor vote. Purdue said it would release final voting tallies on Aug. 2, a week before a court hearing at which final objections will be aired, but the company does not anticipate that these results will change materially. The judge is expected to rule shortly after.

Although a handful of states filed objections to the plan, as did the Department of Justice, those efforts seem unlikely to derail proceedings. Earlier this month, attorneys general for 15 states that had been among the most outspoken objectors, including Massachusetts and New York, said they had negotiated fresh terms that made the plan more palatable and now supported the plan. Among the new elements the states and Purdue reached during mediation was an agreement by the company to release more

than 30 million documents to a public repository, including private communications with lawyers. Those documents are expected to unfurl the full story of the company's and the Sacklers' involvement in the selling of OxyContin.

Some members of Congress have introduced legislation to close a loophole in the bankruptcy code. It would permit states and possibly individuals to sue third-party owners of a company in bankruptcy who, like the Sacklers, have not themselves filed for bankruptcy. But if the legislation is passed, the Purdue plan and the status of the Sacklers will almost certainly have been long since resolved.

The SAFE Glen Cove Coalition is conducting an opioid prevention awareness campaign entitled. "Keeping Glen Cove SAFE," in order to educate and update the community regarding opioid use and its consequences. To learn more about the SAFE Glen Cove Coalition please follow us on www.facebook.com/safeglencovecoalition or visit SAFE's website to learn more about the Opioid Epidemic at www.safeglencove.org.