

Press Release

December 27, 2021

FOR IMMEDIATE RELEASE

CONTACT:

Dr. Sharon Harris

516- 676-2008

safeglencove@yahoo.com

SAFE Glen Cove Coalition: Judge Overturns Purdue Pharma's Opioid Settlement

According to a recent article in The New York Times, A federal judge unraveled a painstakingly negotiated settlement between Purdue Pharma and thousands of state, local and tribal governments that had sued the maker of the prescription painkiller OxyContin for the company's role in the opioid epidemic, saying that the plan was flawed in one critical area. The ruling said the company's owners, members of the Sackler family, could not receive protection from civil lawsuits in return for a \$4.5 billion contribution.

The judge, Colleen McMahon of the U.S. District Court for the Southern District of New York, said that the settlement, part of a restructuring plan for Purdue approved in September by a bankruptcy judge, should not go forward because it releases the company's owners, members of the billionaire Sackler family, from liability in civil opioid-related cases. Although the Sacklers did not file for personal bankruptcy protection, they had made immunization from opioid claims an absolute requirement in exchange for contributing payments amounting to \$4.5 billion to the agreement. The bankruptcy code does not explicitly permit a judge to grant such releases, which she called "the great unsettled question."

Lawyers for a small group of states that had appealed the plan immediately hailed the ruling, fashioning it to a seismic victory for justice and accountability that will re-open the deeply flawed Purdue bankruptcy and force the Sackler family to confront the pain and devastation they have caused. In recent months, members of Congress have proposed legislation called "The Sackler Act" to preclude owners from receiving such protections unless they file for bankruptcy themselves. But even if eventually passed, it is unlikely to become law in sufficient time to resolve the Purdue case. Within hours of the ruling, Purdue said it would appeal.

The fates of Purdue and the Sacklers have been closely watched among the web of litigation brought against companies in the pharmaceutical industry seeking to hold them accountable for the epidemic of opioid addiction in the United States, which has claimed more than a half-million lives. Under the crush of thousands of lawsuits, Purdue filed for bankruptcy restructuring in September 2019, which automatically put a hold on all the claims against it.

According to Judge McMahon , the ruling is a critical in that restores the state’s ability to protect the public by holding fully accountable those who created or contributed to the opioid crisis, particularly members of the Sackler family.

In her opinion, Judge McMahon said that the case raised constitutional questions but that she did not need to reach them, having found no authority for a judge to grant immunity to parties who do not seek bankruptcy protection. While the Purdue Pharma bankruptcy plan — and its disbursements to help prevention and addiction treatment — is on indefinite pause, wending its way through the courts, the opioid epidemic, indifferent to negotiation, persists. Last month, federal data showed that deaths from opioids — fentanyl, heroin and illegally diverted prescription painkillers — only continue to trend upward.

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.