

RESOLUTION NO. 2025-137

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF COCONUT CREEK, FLORIDA, AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE THE NECESSARY DOCUMENTS TO PARTICIPATE IN THE DIRECT SETTLEMENT AGREEMENT IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION, AND TO VOTE IN FAVOR OF THE THIRTEENTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF PURDUE PHARMA L.P. AND ITS AFFILIATED DEBTORS; PROVIDING FOR RECORDATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 22, 2018, the City Commission adopted Resolution No. 2018-073, directing the City Attorney to engage the firms of Robbins Geller Rudman & Dowd, LLP and Lieff Cabraser Heimann & Bernstein, LLP (“Outside Counsel”) to file a lawsuit against various pharmaceutical manufacturers, including Purdue Pharma, L.P., and to join the nationwide multidistrict litigation “*In Re: National Prescription Opiate Litigation*,” MDL No. 2804; and

WHEREAS, on September 15, 2019, Purdue Pharma L.P. and its affiliated debtors filed for Chapter 11 Plan of Reorganization Bankruptcy in the United States Bankruptcy Court for the Southern District of New York. On July 17, 2020, the City of Coconut Creek filed its proof of claim in the Bankruptcy Chapter 11 Plan of Reorganization; and

WHEREAS, on May 13, 2021, the City Commission adopted Resolution No. 2021-084, directing the City Manager, or designee, to execute the Florida Memorandum of Understanding (the “Florida Plan”), a unified plan for the proposed allocation and use of opioid settlement proceeds; and

WHEREAS, in 2021, a proposed settlement with the Sackler family Defendants and a corresponding Purdue bankruptcy reorganization plan was presented to the Bankruptcy Court. The 2021 settlement and bankruptcy plan was the subject of additional litigation, and in 2024, the U.S. Supreme Court affirmed the invalidation of the proposed settlement and bankruptcy plan; and

WHEREAS, the parties then went back into negotiations and the result was a new two-part proposed settlement. The proposed settlements are being implemented in connection with Purdue's bankruptcy proceedings, and consist of, among other things, a settlement of direct claims against the Sacklers held by states, local governments, and other creditors ("Direct Settlement"), and a settlement of Purdue's bankruptcy estate, which includes funding from the Sacklers and certain other parties ("Estate Settlement"); and

WHEREAS, the two (2) proposed settlements contemplate that the Sacklers will be paying an aggregate of up to \$6.5 billion in sixteen (16) payments over fifteen (15) years, including \$1.5 billion on the settlement's Effective Date (expected to be in 2026). These amounts are in addition to amounts available from the Purdue estate, including amounts available on the Effective Date (expected to be around \$900 million) and amounts that may be paid in the future; and

WHEREAS, the two (2) proposed settlements also contain injunctive relief governing opioid dispensing practices and require the successor-in-interest of Purdue Pharma L.P. to implement safeguards to prevent diversion of prescription opioids, and also restrict certain Sacklers from directly or indirectly engaging in the manufacturing or sale of opioids; and

WHEREAS, the proposed settlements and have two (2) key participation steps; first, the City of Coconut Creek, as an eligible subdivision in the State of Florida must participate in the Direct Settlement to share in the Direct Settlement funds. This settlement will utilize the same allocation procedure as the prior agreements, and the allocation cannot be calculated until all participation agreements are submitted; and

WHEREAS, second, concurrently with the solicitation of eligible subdivisions to participate in the Direct Settlement, votes will be solicited for approval of Purdue Pharma L.P.'s bankruptcy plan, which will provide distributions from the Estate Settlement; and

WHEREAS, the two (2) aforementioned participation steps must be completed by September 30, 2025; and

WHEREAS, failure to participate in the Direct Settlement and the Estate Settlement will reduce funds available to the State, City of Coconut Creek, and every other Florida city and county; and

WHEREAS, the City Commission believes that it is in the best interest of the residents of the City of Coconut Creek to participate in the Direct Settlement and to vote in favor of the Estate Settlement to receive its share of the settlement funds for the purpose of mitigating the effects of the opioid epidemic in this community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF COCONUT CREEK, FLORIDA:

Section 1: That the foregoing “WHEREAS” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this resolution. All exhibits attached hereto are incorporated herein and made a specific part of this resolution.

Section 2: That the City Commission hereby approves participation in the Direct Settlement and approves to vote in favor of the Estate Settlement.

Section 3: That the City Manager, or designee, is hereby authorized to execute the Subdivision Participation and Release Form, attached hereto and incorporated herein as Exhibit A, to effectuate the City’s participation in the Direct Settlement.

Section 4: That the City Manager, or designee, is hereby authorized to vote in favor of the Thirteenth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its affiliated debtors, the Estate Settlement, and execute the Class 4 Ballot, attached hereto and incorporated herein as Exhibit B.

Section 5: That the City Clerk is hereby instructed to record this resolution in the appropriate record book upon its adoption.

Section 6: That the City Clerk is hereby directed to furnish a certified copy of this resolution to the Florida League of Cities, the Florida Association of Counties, and Attorney General James Uthmeier, Office of the Attorney General, State of Florida, PL-01, The Capitol, Tallahassee, FL 32399-1050.

Section 7: That if any clause, section, other part or application of this resolution is held by any court of competent jurisdiction to be unconstitutional or invalid, in part or in application, it shall not affect the validity of the remaining portion or applications of this resolution.

Section 8: That this resolution shall be in full force and effect immediately upon its adoption.

Adopted this _____ day of _____, 2025.

Jacqueline Railey, Mayor

Attest:

Joseph J. Kavanagh, City Clerk

Railey _____
Wasserman _____
Welch _____
Rydell _____
Brodie _____