

**RESOLUTION APPROVING THE  
PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS**

In 2018, Dane County (“County”) joined many other municipalities in Wisconsin in bringing suit against several manufacturers, distributors, wholesalers, and other parties responsible for the opioid epidemic. The County’s lawsuit was also joined with lawsuits from states and local governments across the country in what is called Multi-District Litigation administered by a Federal Judge in Cleveland, Ohio. Plaintiff’s interests are represented by a National Consortium that includes the County’s retained counsel. In its complaint, the County sought the recovery of the financial resources previously expended and to be expended in the future to abate the consequences and harms of the opioid epidemic on the County’s residents.

Since that time, nationwide settlements have been reached to resolve claims by state and local governments against three (3) pharmaceutical distributors, McKesson, Cardinal Health, and AmericsourceBergen (“Distributors”), and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson (“Janssen”), including any and all related corporate entities. The proposed settlements require the Distributors to pay up to \$21 billion over eighteen (18) years and Janssen to pay up to \$5 billion over nine (9) years, for a potential total of \$26 Billion. The settlement funds include \$22.7 billion that are earmarked to remediate and abate the impacts caused by the opioid crisis. The settlements also contain injunctive relief provisions governing the marketing, sale and distribution of opioids and require the defendants to implement additional safeguards to prevent the diversion of prescription opioid. The County can participate in the settlements provided that it approves the settlement agreements, the memorandum of understanding allocating settlement proceeds among all litigating local governments (“Allocation MOU”), the memorandum of understanding with the Wisconsin Attorney General regarding allocation of settlement proceeds (“AG MOU”), and the Legislature’s Joint Committee on Finance approves the terms of the settlement agreements. In order to receive the proceeds, the State of Wisconsin and the litigating local governments must agree on an escrow agreement that would govern the receipt and distribution of the proceeds to both the State and the local governments. The County’s retained attorneys and the National Consortium representing all governmental plaintiffs recommend participation in the settlement.

The Wisconsin Legislature adopted a statute that governs how the settlements will be approved and distributed among the litigating local governments. Under Wis. Stat. §165.12(2), 70 percent of the total proceeds to the State of Wisconsin will go to the litigating local governmental entities. In order to receive the proceeds, each litigating local government must establish a segregated account that can only be used for the approved opioid abatement uses. The County’s share of the proceeds going to Wisconsin local governments is expected to be approximately 8.248 percent.

The County has a contingency fee agreement with its retained counsel that provides the County shall pay up to 25% of the proceeds from successful resolution of all or part of the litigation, whether through settlement or otherwise, plus costs. Retained counsel will be making application to the national fee fund established in the Settlement Agreement seeking payment, in whole or part, of the fees, costs, and disbursements owed to counsel. The County will be

48 responsible for the difference up to twenty-five percent of the County's share , and that portion  
49 must be set aside through the escrow agreement to pay for attorney fees.

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51 There is provided with this Resolution a summary of the essential terms of the Settlement  
52 Agreements, the deadlines related to the effective dates of the Settlement Agreements, the  
53 ramifications associated with the County's refusal to enter into the Settlement Agreements, the  
54 form of the Allocation MOU, the form of the AG MOU, and an overview of the process for  
55 finalizing the Settlement Agreements.

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58 NOW, THEREFORE, BE IT RESOLVED that the nationwide settlements with the  
59 Distributors and Janssen are hereby approved and that the Office of the Corporation Counsel  
60 and/or the County's outside legal counsel are hereby authorized, to take such action as may be  
61 necessary to opt-in the settlements, including without limitation, review and execution of  
62 participation agreements, the Allocation MOU and AG MOU in a form substantially similar to  
63 the forms attached to this Resolution, the escrow agreement for receipt and disbursement of  
64 settlement proceeds, and any other documents, receipt of proceeds from the Settlements, and  
65 executing a release of claims;

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