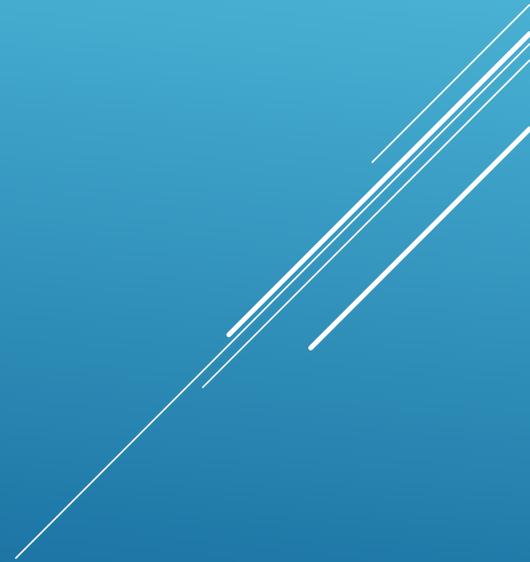


NATIONAL OPIOID LITIGATION

Distributor/J&J Settlement

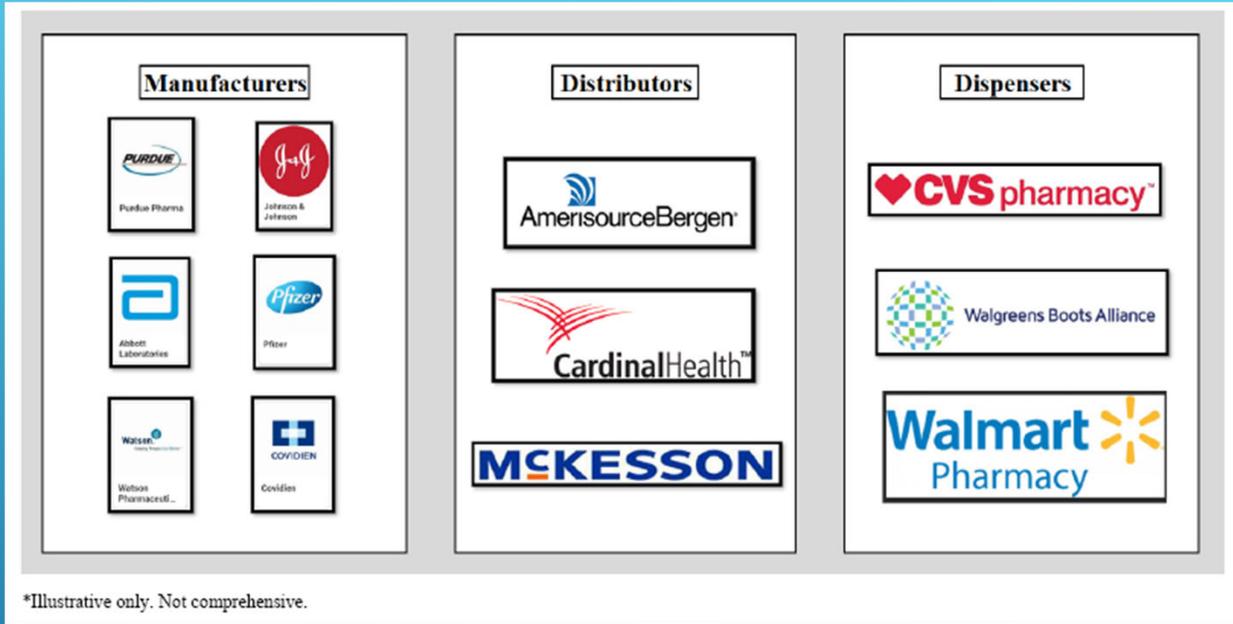
CASE BACKGROUND

How did we get here?



DANE COUNTY JOINED NATIONWIDE LITIGATION

- ▶ Retained Baron & Budd to represent the County
 - ▶ Filed lawsuit in US District Court WD Wis on June 14, 2018
 - ▶ Consolidated in national Multi-District litigation in US District Court in Ohio
 - ▶ B&B part of National Consortium representing local governments nationwide
 - ▶ Extensive discovery and litigation prep.
 - ▶ 3 years of negotiations.
- 
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DEFENDANTS

Defendants in Bankruptcy

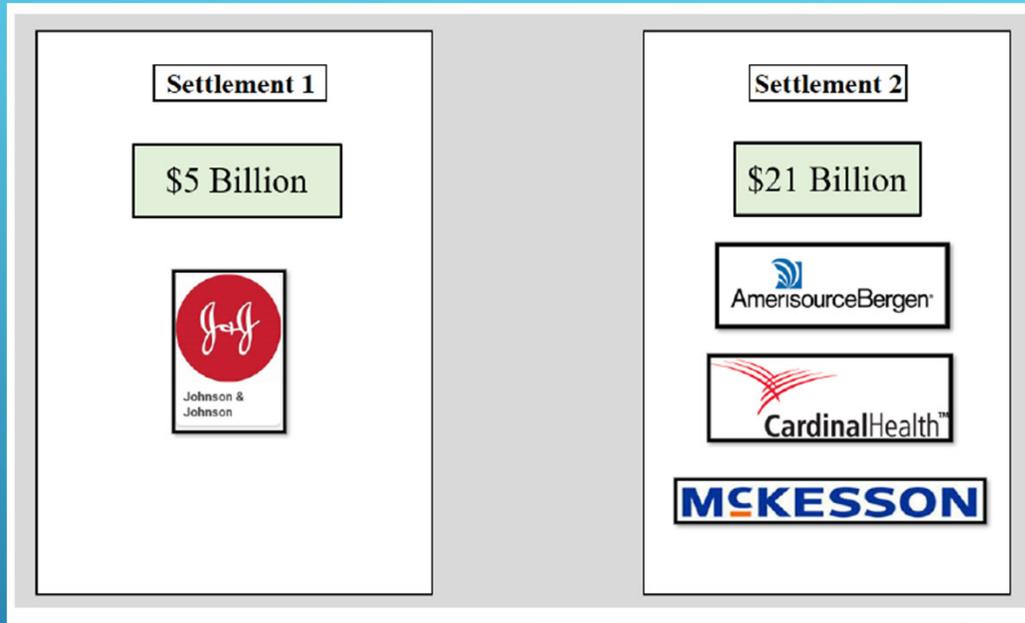


DEFENDANTS ALREADY IN BANKRUPTCY



DEFENDANTS THAT ARE PARTIES TO THE SETTLEMENTS.

LITIGATION CONTINUES AGAINST OTHER DEFENDANTS.



TWO SETTLEMENT AGREEMENTS

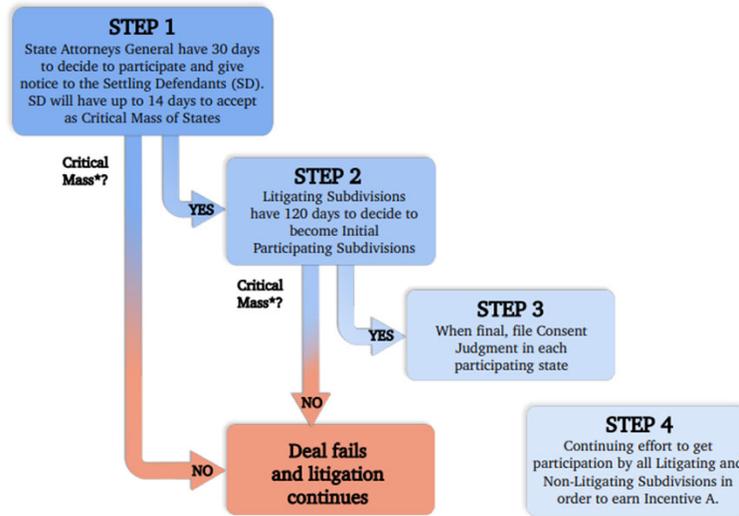
NATIONAL SETTLEMENT AGREEMENT

Overview of key terms

- ▶ Distributors will pay a maximum of \$21 billion over 18 years.
- ▶ J&J will pay a maximum of \$5 billion over no more than nine years.
- ▶ Of this potential \$26 Billion- approximately \$22.8 billion in settlement proceeds payable to state and local subdivisions.
- ▶ Of the funds going directly to participating states and subdivisions, at least 85% must be used for abatement of the opioid epidemic.
- ▶ The settlements allow for a broad range of approved uses by state and local governments to abate the opioid epidemic.
- ▶ Agreements also provide for injunctive relief that requires important changes to the Distributors' and J&J's conduct to better protect our nation's health and welfare.
- ▶ Total payments to states is contingent on bonuses for participation and "global peace" for settling defendants. Wisconsin legislation should get 100% allocation to Wisconsin.

BASIC TERMS

Implementation



*Sole discretion of Distributors & J&J

2021.07.22 Subject to Update & Correction/Executed Agreements Control

- Treat Opioid Use Disorder (OUD)
 - Support People in Treatment and Recovery
 - Connections to Care
 - Criminal Justice System and OUD

APPROVED USES

- Creation of a clearinghouse through which the Distributors will be required to account not only for their own shipments, but also the shipments of the other distributors.
- J&J will not market or sell any Opioid products in the next ten years and has agreed to cease lobbying concerning prescription opioids for ten years.
 - J&J also has agreed to make the clinical trial data for its discontinued Opioids available for medical research.

CHANGES IN CONDUCT

How are settlement funds allocated within the state?

WISCONSIN ALLOCATION AGREEMENT

- ▶ Legislature adopted a statute in June controlling allocation
 - Wis. Stat. §165.12
- ▶ 70% to Litigating Local Governments- 30% to State
 - Litigating Local Governments – 71 counties & 16 municipalities
- ▶ Bars any additional claims after June 1, 2021
- ▶ Contingent on MOU with AG and approval of settlements by JFC
 - Allocation between Litigating Local Governments not subject to JFC approval.

STATUTORY ALLOCATION

- ▶ Litigating Local Government Allocation MOU
- ▶ Includes all Counties and Cities that filed suit before June 1
- ▶ Allocation based on National Settlement model
 - ▶ Considers multiple factors
- ▶ Required for settlement to be approved for Wisconsin

LITIGATING LOCAL GOVERNMENT ALLOCATION

Assuming 100% participation in Wisconsin

1. Total Amount to Wisconsin = \$402,168,925.80
2. Dane County share = 8.248%
3. Estimated Net Recovery = \$23,220,547.57
4. All funds must be kept in segregated account and used for opioid abatement
5. Subject to Attorney Fee contract = Maximum of 25%
 - B&B will seek compensation first from National Attorney Fee Fund

DANE COUNTY'S ALLOCATION

How does Dane County formally participate?

NEXT STEPS

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- Must join both the Settlements and the Local Government & AG MOUs.
- Adopt resolutions to join the settlements and the MOU.
 - Submit documentation by January 2, 2022.

PARTICIPATION LOGISTICS

- ▶ It is a product of years of litigation and settlement negotiations
- ▶ Our counsel and the National Consortium recommend approval because they feel it is the best deal to be had.
- ▶ The allocation to counties in Wisconsin is the best in the nation.
- ▶ Money is critical to the epidemic now.
- ▶ Litigation has real risks. No guarantee if or when any money be received.
- ▶ Further insolvencies are a real risk.

WHY SHOULD DANE COUNTY AGREE TO SETTLEMENT