



Levy County Board of County Commissioners Agenda Item Summary Form

1. **Name:** Heather Encinosa
2. **Organization/Title/Telephone:** Interim County Attorney
3. **Meeting Date:** Tuesday, July 6, 2021
4. **Requested Motion/Action:**

Authorize Shayna Sacks of Napoli Shkolnik, PLLC to vote in favor of the proposed Purdue Pharma bankruptcy plan on behalf of Levy County in the pending bankruptcy action *In re: Purdue Pharma, L.P.*, Case No. 19-23649, U.S. Bankruptcy Court Southern District of New York.

5. **Agenda Presentation:** Yes No N/A
6. **Time Requested:** 10 minutes
7. **Is this Item Budgeted (If Applicable):** Yes No N/A
8. **If no, State Action Required:**
a. **Budget Action:** N/A
b. **Financial Impact Summary Statement:** No financial impact
c. **Detailed Analysis Attached:** N/A
d. **Budget Officer Approval:** N/A

9. **Background: (Why is the action necessary, and what action will be accomplished) (All supporting documentation must be attached if any)**

Shayna Sacks of Napoli Shkolnik, PLLC has been representing Levy County in the ongoing opioid litigation. As part of that litigation Purdue Pharma filed bankruptcy and a Plan has now been provided which requires action by the "joining" litigants. It is the recommendation of outside counsel that the County accept the Plan for resolution of the pending bankruptcy (*In re: Purdue Pharma, L.P.*, Case No. 19-23649, U.S. Bankruptcy Court Southern District of New York) and allow Napoli Shkolnik to cast the vote in favor of the plan on the County's behalf. The approval must be provided to Ms. Sacks prior to July 9, 2021. The bankruptcy court will consider approval of the proposed plan on August 9, 2021. In order for the Plan to be approved 2/3rds of the members of each class (Levy County is a member of the public creditors – all state, local, and tribal governments) must vote to approve it.

In summary, the Plan, which is still subject to court approval provides as follows: under Chapter 11 bankruptcy proceedings, Purdue will be reorganized as a new corporation that will be indirectly owned by the public creditors. The continued operation of the company, its eventual sale, insurance proceeds, and other assets will be combined with a \$4.275 billion contribution from the Sackler family, owners of Purdue. These amounts will be available to creditors under the Plan with an estimated \$5 billion available for the public creditors. These funds will flow through the National Opioid Abatement Trust and will first be allocated by state -- Florida will receive an estimated 7+% -- and will then be allocated among local government based on Statewide Abatement Agreement that must be determined between the State of Florida and its local governments. The terms of such agreement are not known at this time. If such an agreement is not developed, the National Opioid Abatement Trust provides a default allocation method. Under the default allocation, Levy County would not meet the population threshold to receive a direct block grant and would instead be covered by a regional apportionment. Accordingly, it is impossible to determine at this time how much will be provided to Levy County locally, but it is important to note that any funds will be used either locally or regionally to fund approved abatement uses to counter the opioid epidemic and ancillary treatment services.



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For additional information, please see the attached Frequently Asked Questions regarding the Plan.

10. Recommended Approval

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|-------------------------|---|-----------------------------|------------------------------|
| a. Department Director: | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| b. County Attorney: | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| c. County Coordinator: | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| d. Other: | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |