



CITY OF NOVI CITY COUNCIL
MARCH 4, 2024

SUBJECT: Approval of participating in the Opioid Litigation settlements with McKinsey & Company, Approving the Bankruptcy organization of opioid manufacturer Endo International plc, and authorizing acceptance of additional opioid settlements and plans.

SUBMITTING DEPARTMENT: CITY ATTORNEY

BACKGROUND INFORMATION:

The City of Novi has previously opted into settlements with several companies involved in the manufacture, distribution, and sale of opioids. Settlements with additional companies are still being worked out. A settlement was recently reached with McKinsey & Company, which is a consulting firm alleged to have provided misleading advertising for the promotion of opioids. This settlement is separate from the previous settlements the City has participated in.

In order to receive settlement funds from this litigation, the City must agree:

- i. To the settlement terms;
- ii. To release claims against McKinsey & Company;
- iii. That monies received can only be spent on opioid remediation and;
- iv. Consent to the jurisdiction of the Court where the Settlement Judgment is filed.

The City also received notification that it is considered a holder of a claim in the bankruptcy reorganization plan of Endo International, PLC, a former manufacturer of an opioid drug. To be eligible for funds from Endo International, the City was asked to vote to accept the reorganization plan, which requires approval from the bankruptcy court before funds can be set aside for distribution to local governments.

RECOMMENDED ACTION:

1. Approval of participating in the opioid litigation settlement with McKinsey & Company and agreeing to the terms of the settlement and the release of claims against the company, agreeing that the funds will be used for opioid remediation.
2. Approval of voting to accept the bankruptcy reorganization plan of Endo International.

3. Approval of authorizing the City Manager to take such further action as is necessary to receive the settlement funds and approving the bankruptcy plan.

4. Since there may be additional opioid settlements and bankruptcy reorganizations, authorizing the City Manager to take the necessary actions to accept the settlement terms, funds and reorganization plans as long as the City Attorney does not have any legal concerns with the settlement or reorganization terms and the funds are used as required by the settlements or plans.