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**MEMORANDUM**

To: Mayor and Council, City of San Luis  
Cc: Jenny Torres, San Luis City Manager  
From: Christina Estes-Werther, Pierce Coleman PLLC  
Date: April 1, 2026  
Subject: Summary of Remnant Defendant Opioid Settlement Agreement and Instructions for Submission of Subdivision Settlement Participation Form

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The purpose of this Memo is to provide an overview of the terms for the new Remnant Defendant Opioid Settlement Agreement (“Agreement”) dated February 23, 2026 and outline next steps for the City of San Luis (the “City”) if it seeks to participate. The full set of documents associated with each settlement agreement are listed in Attachment A and are on file with the City Clerk.

**Background**

Since 2021, there have been several national opioid settlements as follows:

- J&J and Distributors McKesson, Cardinal Health, and AmerisourceBergen (“2021 National Settlements”);
- Teva, Allergan, Walmart, Walgreens and CVS (“2022 National Settlements”);
- Kroger (“Kroger Settlement”);
- Purdue/Sackler Settlement (“Purdue Settlement”); and
- Alvogen, Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA Inc., Indivior Inc, Viartis, Inc., Sun Pharmaceuticals Industries, Inc., and Zydus Pharmaceuticals (USA) Inc. (“Secondary Manufacturers”).

The aforementioned settlements were distributed in accordance with the One Arizona Distribution of Opioid Settlement Funds Agreement (“One Arizona Funds Agreement”); however, this Remnant Settlement is not part of the One Arizona Funds Agreement.

### *Municipal Participation in the Settlement*

A Notice was sent by email from [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com) to the City on March 5, 2026 providing notice of the Agreement and the deadline for becoming a Participating Subdivision.

The settlements include the following Remnant Defendants:

1. Associated Pharmacies, Inc.
2. American Associated Pharmacies
3. J M Smith Corporation
4. Louisiana Wholesale Drug Company, Inc.
5. Morris & Dickson Co.
6. North Carolina Mutual Wholesale Drug Company, Inc.
7. United Natural Foods, Inc.<sup>1</sup>

In order to participate in the settlement proceeds, the City must execute and submit a Subdivision Settlement Participation Form (“Participation Form”) before May 4, 2026 for the City to be considered a “Participating Subdivision.” Submission of the Participation Form means the City (a) agrees to the terms of the Agreement; (b) releases all Released Claims<sup>2</sup> against all Released Entities (described in further detail in the next section); (c) agrees to use monies it receives from the settlement for purposes that qualify as opioid remediation; and (d) the City submits to the jurisdiction of the United States District Court for the Northern District of Ohio Eastern Division.<sup>3</sup> If for any reason the Settlement Agreement does not become effective, the Participation Form is void.

By executing and returning a Participation Form, the City agrees to the following:

1. The City has received legal advice from its attorneys regarding the advisability of entering into this Agreement and the legal consequences of this Agreement;
2. The City is not relying on any statement, representation, omission, inducement, or promise by Defendants, except those expressly stated in this Agreement;

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<sup>1</sup> Including subsidiaries SuperValu, Inc., Advantage Logistics Southwest, Inc., Advantage Logistics USA West, L.L.C., Advantage Logistics USA East, L.L.C., and UNFI Distribution Company, LLC

<sup>2</sup> “Released Claims” means any and all Claims, including Unknown Claims, that directly or indirectly are based on, arise out of, or in any way relate to or concern Covered Conduct occurring prior to the Effective Date. Without limiting the foregoing, Released Claims include any Claims that have been, are, or could be asserted against one or more Released Entities by any Participating Subdivision or Releasor in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) directly or indirectly based on, arising out of, or relating to, in whole or in part, Covered Conduct (whether or not such Releasor has brought such action or proceeding). Released Claims also include all Claims against Released Entities asserted in any proceeding to be dismissed pursuant to this Agreement, whether or not such claims relate to Covered Conduct. The Settling Parties intend that this term be interpreted broadly. For the avoidance of doubt, Released Claims do not include Claims of private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe claims brought by a non-party Subdivision that would have been Released Claims if they had been brought by a Releasor against a Released Entity.

<sup>3</sup> Case No. 1:17-md-2804, Judge Dan Aaron Polster.

3. The City has, with the assistance of its attorneys, investigated the law and facts pertaining to the Released Claims and the Agreement;
4. The City has carefully read, and knows and understands, the full contents of this Agreement and is voluntarily entering into this Agreement after having consulted with its attorneys;
5. The City has all necessary authority to enter into this Agreement and release all Released Claims on behalf of itself and all other entities that are Releasors by virtue of their relationship or association with it;
6. The City has authorized the execution and performance of its Participation Agreement, and has authorized the person signing this Agreement on its behalf to do so;
7. Upon execution of its respective Participation Agreement, the City accepts, agrees to, and ratifies the terms of this Agreement; and
8. No portion of any relief under this Agreement to which the City may be entitled has been assigned, transferred, or conveyed by or for any of the Participating Subdivisions to any other person or entity.

### **Release of Claims**

The Agreement dated February 23, 2026 resolves all Released Claims between Participating Subdivisions and the Defendants in United States District Court for the Northern District of Ohio Eastern Division upon specified conditions.

The primary provision for the City to consider is the release of all claims against the Defendants in exchange for settlement monies. The specific release language is as follows:

As of the Effective Date, the Released Entities are fully, finally, and forever released and discharged from all of the Releasors' Released Claims. Each Releasor hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever, whether on its own behalf, or as part of any putative, purported, or certified class. The releases provided for in this Agreement are intended by the Settling Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims. This Agreement shall be a complete bar to any Released Claim. Other than as set forth herein, this Agreement does not include any provisions for injunctive relief. Participating Subdivisions shall look solely to the Settlement Funds for settlement and satisfaction against the Released Entities of all claims that are released hereunder. The MDL Court shall have continuing and exclusive jurisdiction to enforce the terms and provisions of this Agreement and any and all of its Orders made in connection with Settlement approval, notice, administration, and implementation.

Notwithstanding the foregoing, the releases provided herein shall not release claims of governmental entities that do not participate in the Settlement; claims arising solely from conduct by the Defendants that occurs after the Effective Date; claims against the Defendants other than the Released Claims; or claims alleging a breach of this Agreement or seeking to enforce this Agreement.

Additional requirements include that the City will not seek contributions, payments, or indemnification from other parties relating to these Settlement Agreements, including any amounts paid under this Agreement (except for amounts owed pursuant to insurance contracts); provisions if a party declares bankruptcy; management of other claims outside of the Agreement; indemnification and contribution prohibitions for amounts paid under the Agreement; a general release under § 1542 of the California Civil Code, which encompasses claims not known or suspected to exist; and that the City does not waive, release or limit any criminal liability, workers' compensation claims, claims for liability under tax or securities laws, claims against parties who are not Released Entities or private individuals and any claims arising under this Agreement for enforcement of this Agreement.

#### **Timeline Following Participation Form Submission**

Following the deadline for subdivision participation, the Defendants will confirm the eligibility of the subdivisions through a review of the Participation Report and notify Plaintiffs' Counsel within 30 days of its determination. Within 14 days of the determination, the parties will submit an appropriate motion to the Court to report on the settlement and jointly request a consent judgment dismissing the actions, discharge and release the Defendants for all Released Claims; enjoin any other action by the City against the Defendants relating to the Released Claims; reserve and continue exclusive jurisdiction over the settlement; enter final judgment and confirm it is consistent with the terms of this Agreement. Following the entry of the Consent Judgment, the Settlement Administrator will distribute the funds.

#### **Distribution and Use of Settlement Funds**

The payment to the City is being paid as compensatory restitution in order to restore, in whole or in part, the City's to the position or condition had the City not suffered the Alleged Harms.<sup>4</sup> It is based on 2019 population estimates published by the U.S. Census Bureau, released May 2020. The Defendants shall pay into the Settlement Fund the Pooled Settlement Amount in consideration of the covenants, agreements, and releases set forth in this Agreement. The City's percentage of the Pooled Settlement Amount is currently 0.0036938001%, which is currently estimated at \$3,609.00 (gross) and \$3,161.00 (net). This amount is subject to change depending on the number of subdivisions that participate in the Settlement. The funds shall be allocated and used by the City **only for opioid remediation**. See *Exhibit D*.

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<sup>4</sup> "Alleged Harms" means the alleged past, present, and future financial, societal, and public nuisance harms and related expenditures arising out of the alleged misuse and abuse of any chemical substance or finished pharmaceutical product made from or that is an opioid or opiate and that have allegedly been caused by the Defendants.

The Settlement Fund will be established at Huntington Bank, with Law Office of Joseph C. Tann, PLLC and Winbridge Partners, LLC serving as the Settlement Fund Administrator subject to an escrow agreement mutually acceptable to the parties, and such escrow to be administered under the Court's continuing supervision and control. Taxes and tax expenses shall be paid out of the Settlement Funds and Defendants are held harmless from any tax liability.

### **Reporting Requirements**

Since this Agreement is not being distributed under the terms of One Arizona, different reporting requirements apply. Following the entry of the Consent Judgment, Plaintiffs' Counsel will select a Designated Subdivision who will coordinate with the City and other Participating Subdivisions to file the appropriate tax forms. No other reporting requirements are in the Agreement although the City agrees to cooperate with the parties if additional information is required.

### **Next Steps**

1. Place an action item on the agenda **prior to May 4, 2026** for Council to decide if the City will participate in the Settlement Agreement. The full settlement documents are on file with the City Clerk.
2. If the Council approves opting in to the Settlement Agreement, the City's designated point of contact will submit the Participation Form via DocuSign **by May 4, 2025**.
3. Once the settlement is finalized, the release against the Defendants will be in effect and more information will be provided about the distribution formula and specific amount allocated to the City for opioid remediation.

Attached to this Memo is a Settlement Overview provided by the Settlement Administrator and a copy of the Participation Form. The remaining forms are on file with the City Clerk. Please contact me with any questions at (602) 772-5524 or [Christina@PierceColeman.com](mailto:Christina@PierceColeman.com).



## ATTACHMENT A

The following settlement documents and exhibits are on file with the City Clerk:

1. Remnant Defendant Settlement Agreement (dated February 23, 2026)
2. Exhibit A – List of Actions
3. Exhibit B – Alleged Harms
4. Exhibit C – List of Litigating Subdivisions
5. Exhibit D – List of Opioid Remediation Uses
6. Exhibit E – Plan of Allocation
7. Exhibit F – List of Affiliates
8. Exhibit H – Attorneys Fees and Costs
9. Exhibit G – Settlement Participation Form