



TO LOCAL POLITICAL SUBDIVISIONS:
IMPORTANT INFORMATION ABOUT NEW OPIOID SETTLEMENTS WITH ALLERGAN, CVS,
WALMART, AND WALGREENS.
SUBDIVISIONS MUST SUBMIT SIGNED DOCUMENTATION TO PARTICIPATE.
THE DEADLINE FOR PARTICIPATION IS APRIL 18, 2023.

If your subdivision is represented by an attorney with respect to opioid claims, please immediately contact them.

Please note that this settlement is a **NEW** opioid settlement; your subdivision may have previously submitted documents for the Distributors, Janssen/J&J, Endo, and Teva settlements.

To participate in the Allergan, CVS, Walgreens, and Walmart settlements, you will need to submit new documentation.

WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

You are receiving this email because Texas settled with Allergan, CVS, Walgreens, and Walmart, and your subdivision may participate in these Settlements. This email is being sent directly to subdivisions who are not litigating against Allergan, CVS, Walgreens, and/or Walmart. If you are represented by an attorney with respect to opioid claims, please immediately contact them. Please note that there is no need for subdivisions to be represented by an attorney or to have filed a lawsuit to participate in the Settlements.

Your subdivision may have already signed on to the Distributor, Janssen/J&J, Endo, and/or Teva settlements and adopted the Texas Term Sheet. **If so, do not disregard this notice. These are settlements with Allergan, CVS, Walgreens, and Walmart.** If you have already signed on to the Allergan, CVS, Walgreens, and Walmart Settlements, you may disregard this notice.

HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?

All required documentation must be executed and submitted to the email address: opioids@oag.texas.gov. Your subdivision will need to submit the **Subdivision Participation Form** for each settlement to opioids@oag.texas.gov. Please also be sure to include in the Form

the identity and email address of the individual who is authorized to sign formal and binding documents on behalf of your subdivision.

SETTLEMENT OVERVIEW

The proposed Settlements require Allergan to pay \$135 million, CVS to pay \$304 million, Walgreens to pay \$340 million, and Walmart to pay \$170 million (the “Settlement Amount”) to Texas and its political subdivisions. Of the Settlement Amount, the vast majority is earmarked for use by Texas and its subdivisions to remediate and abate the impacts of the opioid crisis. The Settlements also contain injunctive relief provisions governing the opioid marketing as well as the sale and dispensing practices at the heart of the opioid claims in the lawsuits.

The subdivisions within Texas are entitled to decide whether they wish to participate in the settlement. Any subdivision that does not participate cannot directly share in any of the settlement funds.

WHERE CAN YOU FIND MORE INFORMATION?

This email is intended to provide a brief overview of the Settlements. Detailed information about the Settlements may be found at the website set up by Office of the Attorney General of Texas: <https://www.texasattorneygeneral.gov/globalopioidsettlement>.

WHY YOU SHOULD PARTICIPATE

Texas, other states, and cities and counties around the country have announced support of this settlement.

Subdivision participation is strongly encouraged, for the following reasons:

First, the amounts to be paid under the Settlements, while insufficient to abate the epidemic fully, will contribute to allowing Texas and its local governments to commence with meaningful change designed to curb opioid addiction, overdose, and death, following on the Distributors and Johnson & Johnson/Janssen settlements from 2021 and the Teva and Endo settlements from 2022;

Second, time is of the essence. The opioid epidemic continues to devastate communities around the country, and it is critical that the funds begin to flow to allow governments to address the epidemic in their communities ***as soon as possible***; and

Third, you know first-hand the effects of the opioid epidemic on your community. Funds from these settlements will be used to commence abatement of the crisis and provide relief to your

citizens while litigation and settlement discussions proceed against numerous other defendants in the opioid industry.

HOW WILL SETTLEMENT FUNDS BE ALLOCATED IN TEXAS?

The Texas Term Sheet, which sets the allocation between subdivisions and the State, can be found on the Texas Attorney General's website. Any questions concerning the status or terms of the Texas Term Sheet and allocations in Texas can be directed to the Texas Attorney General's Office.

You may be contacted by the Texas Attorney General's Office with additional information regarding the allocation of settlement funds in Texas. Subdivisions with representation can expect information from their attorneys. We encourage you to review all materials and to follow up with any questions. The terms of these settlements are complex, and we want to be sure you have all the information you need to make your decision.

As with the other opioid settlements, the Texas Comptroller of Public Accounts and the Texas Opioid Council will disburse funds to participating political subdivisions in Texas.

NEXT STEPS

This settlement requires that you take affirmative steps to 'opt in' to the settlement. If you do not act, you will not receive any settlement funds.

First, have your authorizing person(s) or body begin to review the materials on the website concerning the settlement agreement terms and the Texas Term Sheet. Develop a list of questions for your counsel or the Texas Attorney General's Office. Your subdivision will need to begin the process of deciding whether to participate in the proposed settlement, and subdivisions are encouraged to work through this process well before the **April 18, 2023**, deadline. Again, the Texas Attorney General's Office, your counsel, and other contacts within the state are available to discuss the specifics of the settlements within your state and we encourage you to discuss the terms and benefits of the settlements with them.

Second, should you decide to proceed with participating, your subdivision will need to submit your signed Subdivision Participation Form to opioids@oag.texas.gov.

NOTE: If your subdivision has not already done so, your subdivision will need to adopt the Texas Term Sheet and its intrastate allocation schedule. If your subdivision has previously signed on to the Distributors, J&J/Janssen, Endo, and/or Teva settlements, you will have already adopted the Texas Term Sheet. There is no need to readopt the Texas Term Sheet. If you have NOT adopted the Texas Term Sheet, please contact opioids@oag.texas.gov.

We urge you to view the Texas Attorney General's website at your earliest convenience. Information and documents regarding the settlement can be found on the settlement website at: <https://www.texasattorneygeneral.gov/globalopioidsettlement>

Questions regarding the opioid settlements can be directed to: Stephanie Eberhardt (stephanie.eberhardt@oag.texas.gov) and opioids@oag.texas.gov.

FREQUENTLY ASKED QUESTIONS

1. My subdivision already signed up for opioid settlements. Is that good enough for these new settlements?

No, you will need to submit separate **Subdivision Participation Forms** for Allergan, CVS, Walgreens, and Walmart; opting into the other settlements does not sign you up for this one.

2. Does my subdivision need to pass a resolution to sign up for this settlement?

This depends on the specifics of what your county or city is required to do to release legal claims. If your city manager, for example, is authorized to generally enter into opioid settlements, you may not need a resolution. Consult your legal counsel for advice.

If your subdivision has already adopted the Texas Term Sheet to sign on to a previous opioid settlement, you do NOT need to adopt an additional resolution to readopt the Texas Term Sheet.

3. When will my subdivision receive funds from this settlement and/or the other settlements?

Funds for the Distributors, J&J/Janssen, Endo, and Teva settlements have been paid to the Texas Comptroller of Public Accounts, the Texas Opioid Council, and the Texas Treasury Safekeeping Trust Company. **Please contact O AFC.Public@c pa.texas.gov for more details.**

4. How much will my subdivision receive from the Allergan, CVS, Walgreens, and Walmart Settlements?

If you have questions about your subdivision's individual allocation amount, please contact Stephanie Eberhardt (stephanie.eberhardt@oag.texas.gov) or opioids@oag.texas.gov.

5. What are all the different Texas opioid settlements?

Here is a summary of all the opioid settlements between Texas and its political subdivisions and the various manufacturers, distributors, and retail pharmacies:

Date Announced	Company	Amount
February 2021	McKinsey	\$38.4 million
July 2021	Distributors (AmerisourceBergen, Cardinal Health, and McKesson)	\$1.271 billion
July 2021	Janssen	\$296 million
December 2021	Endo	\$63 million
February 2021	Teva	\$150 million plus \$75 million in product
June 2021	Mallinckrodt	\$74 million
December 2022	Allergan	\$135 million
December 2022	Walmart	\$170 million
December 2022	CVS	\$304 million
December 2022	Walgreens	\$340 million
Total	12 companies	\$2.919 billion