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AG MOODY ENHANCES AGREEMENT WITH OPIOID MANUFACTURER AS IT ENTERS BANKRUPTCY [View PDF](#)

Release Date Oct 12, 2020**Contact** Kylie Mason**Phone** 850-245-0150

TALLAHASSEE, Fla.—Attorney General Ashley Moody today announced an improved, amended agreement between state attorneys general, local subdivisions, opioid manufacturer Mallinckrodt, its subsidiaries and certain other affiliates. Under the enhanced agreement, MNK will pay \$1.6 billion into a trust as described below as part of a pre-packaged bankruptcy along with providing the states and other governmental entities additional consideration. MNK is currently the largest generic opioid manufacturer in the United States. MNK and certain affiliates filed for Chapter 11 bankruptcy in Delaware on Sunday to effectuate the amended settlement.

Attorney General Ashley Moody said, “The enhancements to this already strong, global agreement will ensure more money flows to states more quickly to stop the death and destruction brought on by the national opioid crisis. As Florida’s Attorney General, I have made it my mission to combat this deadly crisis destroying Florida families. I am proud to secure this amended agreement with the country’s largest opioid manufacturer. By holding Mallinckrodt accountable for its role in exacerbating the opioid crisis, we move closer to our goal of ending this epidemic and bringing relief to the Florida communities affected.”

As part of the amended agreement, MNK will pay \$1.6 billion cash into a trust that will go toward abating the opioid crisis nationally. MNK will pay the \$1.6 billion according to the following schedule:

- \$450 million upon emergence from bankruptcy;
- \$200 million annually on the first and second anniversary of emergence from bankruptcy; and
- \$150 million annually on the third through seventh anniversaries of emergence from bankruptcy.

MNK also agrees that its opioid business will be subject to stringent injunctive relief that, among other things, will prevent marketing of opioids and ensure systems are in place to prevent drug diversion and misuse.

This revised payment schedule improves the [agreement reached in February](#) by moving \$150 million from the last payment to the first. Since the February agreement, MNK had other legal issues arise and its business was affected by the impact of COVID-19, necessitating the revisions reflected in the revised deal. Details about how much each state will receive, how the money will be distributed, and how the trust will be administered are all still in negotiation as part of the bankruptcy. Florida serves on the Ad Hoc Committee that will lead negotiations and overall strategy for government creditors in the bankruptcy. Florida serves in a similar role in the Purdue bankruptcy, which is pending in New York.

To learn more about Attorney General Moody's recent efforts in the fight to end the opioid epidemic, click [here](#).

For information about opioid addiction and resources for businesses, caregivers, educators, medical professionals, parents, seniors, service members, students, veterans and others, visit DoseOfRealityFL.com.

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