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ATTORNEY GENERAL RAOUL ANNOUNCES \$450 MILLION NATIONWIDE SETTLEMENT AS PART OF OPIOID MAKER ENDO'S BANKRUPTCY

Proposed Settlement Would Provide Cash to Address Opioid Crisis, Require Significant Document Disclosure, and Ban the Promotion of Endo's Opioids

Chicago — Attorney General Kwame Raoul, as part of a bipartisan coalition of state attorneys general, has reached an agreement in principle with opioid maker Endo International PLC (Endo) and its lenders that would provide up to \$450 million to participating states and local governments. The agreement would also ban promotion of Endo's opioids and require Endo to turn over millions of documents related to its role in the opioid crisis for publication in a public online archive.

The agreement in principle with Endo, which filed for Chapter 11 bankruptcy protection Tuesday night in the Southern District of New York, resolves allegations that Endo boosted opioid sales using deceptive marketing that downplayed the risk of addiction and overstated the benefits.

"Opioid manufacturers like Endo sacrificed the health and safety of Illinois residents for their own financial gain," Raoul said. "Their actions played a key role in the over-prescription, misuse, abuse, and diversion of dangerous opioids that resulted in an opioid crisis. I will continue to fight to hold unscrupulous opioid manufacturers and distributors accountable and to secure resources to abate this crisis in Illinois. I am committed to ensuring the money we secure through this settlement is distributed equitably to fund critical recovery and treatment programs in the counties and municipalities with the most urgent need."

Endo, an Ireland-based drugmaker with its U.S. headquarters in Malvern, Pennsylvania, makes generic and branded opioids including Percocet and Endocet and also made Opana ER, which was withdrawn from the market in 2017. Raoul and the states allege that Endo falsely promoted the benefits of Opana ER's so-called abuse-deterrent formulation, which did nothing to deter oral abuse and led to deadly outbreaks of Hepatitis and HIV due to its widespread abuse via injection.

The resolution, which is contingent on final documentation and bankruptcy court approval, involves the following:

- Requires payment of \$450 million in cash over 10 years to participating states and subdivisions.
- Requires Endo to turn over its opioid-related documents for publication online in a public document archive and pay \$2.75 million for archival expenses.
- Bans the marketing of Endo's opioids forever.

Joining Illinois in the settlement are the attorneys general of Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, Wisconsin, Wyoming and the U.S. Virgin Islands.

Today's announcement is part of Attorney General Raoul's ongoing efforts to combat the opioid epidemic and hold accountable companies whose deceptive practices have increased opioid prescriptions at the expense of public health. It comes after the announcements in July of an agreement in principle with opioid manufacturer Teva that would provide up to \$4.25 billion once finalized and an agreement in principle that,

once finalized, would require former opioid maker Allergan to pay up to \$2.37 billion to participating states and local governments to assist in battling the opioid epidemic.

Earlier this year, Raoul's office negotiated the Illinois Opioid Allocation Agreement. The agreement is intended to ensure the approximately \$760 million Illinois will receive through the historic national \$26 billion opioid settlement agreement with the nation's three major pharmaceutical distributors and Johnson & Johnson, and these additional opioid settlements, are allocated equitably to counties and municipalities. The majority of Illinois' money will go to the Illinois Remediation Fund to be used for abatement programs throughout the state.