ATTORNEY GENERAL DEPARTMENT OF JUSTICE

33 CAPITOL STREET CONCORD, NEW HAMPSHIRE 03301-6397

JOHN M. FORMELLA ATTORNEY GENERAL



JANE E. YOUNG DEPUTY ATTORNEY GENERAL

<u>TO LOCAL POLITICAL SUBDIVISIONS</u>:

<u>IMPORTANT INFORMATION ABOUT THE NATIONAL OPIOID SETTLEMENT.</u> <u>SUBDIVISIONS MUST SUBMIT SIGNED DOCUMENTATION TO PARTICIPATE</u>. <u>THE DEADLINE FOR PARTICIPATION TO MAXIMIZE SETTLEMENT BENEFITS IS JANUARY 2, 2022</u>.

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

The New Hampshire Department of Justice has indicated its intention to join a proposed nationwide settlement agreement ("Settlement") that would resolve all opioid litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors, McKesson, Cardinal Health and AmerisourceBergen ("Distributors"). The Attorney General has decided against joining another national Settlement with Johnson & Johnson/Janssen and is proceeding with the state's litigation against those defendants in Merrimack County Superior Court. A trial in that case is set to begin on February 1, 2022.

The proposed Settlement requires the Distributors to pay billions of dollars to abate the opioid epidemic. Specifically, the Settlement requires the Distributors to pay up to \$21 billion over 18 years. The vast majority of the settlement funds are earmarked for use by participating states and subdivisions to remediate and abate the impacts of the opioid crisis.

The Settlement also contains injunctive relief provisions governing the opioid marketing, sale and distribution practices at the heart of the states' and subdivisions' lawsuits and further require the Distributors to implement additional safeguards to prevent diversion of prescription opioids.

The proposed Settlement has two key participation steps. First, each state decides whether to participate in the Settlement, and the New Hampshire Department of Justice has already indicated its intention to join the Settlement with the Distributors. The defendants have determined that sufficient state participation exists to go forward with the Settlement process. Second, the subdivisions within each participating state must then decide whether to participate in the Settlement. The more subdivisions that participate, the greater the amount of funds that flow to that state and its participating subdivisions.

This letter is part of the formal notice required by the Settlement.

WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

You are receiving this letter because the New Hampshire Attorney General has elected to participate in this national Settlement against the Distributors, and, consequently, your subdivision may participate in this Settlement. This notice is being sent directly to subdivisions that we understand are litigating against these companies, as well as to subdivisions identified by the defendants as non-litigating primary subdivisions. 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 Settlement.

WHERE CAN YOU FIND MORE INFORMATION?

This letter is intended to provide a brief overview of the Settlement. Detailed information about the Settlement may be found at: https://nationalopioidsettlement.com/. You can also find New Hampshire-specific information on our website: https://www.doj.nh.gov/opioid-settlement/index.htm.

New Hampshire already has passed legislation that provides for a dedicated opioid abatement trust fund to receive all opioid-related settlement funds or judgments coming to the State or to all political subdivisions within the State. A commission has been formed to receive, review and recommend to the Governor and Executive Council grant applications for the use of these funds. That legislation can be found at NH RSA 126-A:83-86.

HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?

You must go to the national settlement website to register to receive in the coming weeks and months the documentation your subdivision will need to participate in the Settlements. All required documentation must be executed and submitted electronically through the website and must be executed using the "DocuSign" service. As part of the registration process, your subdivision will need to identify, and provide the email address for, the individual who will be authorized to sign formal and binding documents on behalf of your subdivision.

Your unique Subdivision Identification Number to use to register is: <pr

HOW WILL SETTLEMENT FUNDS BE ALLOCATED IN EACH STATE?

The settlement funds are first divided among the participating states according to a formula developed by the Attorneys General that considers population and the severity of harm caused by the opioid epidemic in each participating state. Each state's share of the abatement funds is then further allocated within each state according to state law (RSA 126-A:83-86). Any questions concerning the status or terms of the statutory trust can be directed to the Attorney General's Office. Please contact Associate Attorney General James T. Boffetti (james.t.boffetti@doj.nh.gov; 603-271-0302).

We encourage you to review all materials and to follow up with any questions. The terms of this Settlement are complex and we want to be sure you have all the information you need to make your participation decision.

WHY YOU SHOULD PARTICIPATE

Subdivision participation is strongly encouraged, for the following reasons:

First, the amounts to be paid under the Settlement, while insufficient to abate the epidemic fully, will allow state and local governments to commence with meaningful change designed to curb opioid addiction, overdose and death;

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;*

Third, if there is not sufficient subdivision participation in this proposed Settlement, the Settlement will not be finalized, the important business practice changes will not be implemented, the billions of dollars in abatement funds will not flow to communities, and more than 3,000 cases may be sent back to their home courts for trial, which will take many years;

Fourth, the extent of participation also will determine how much money each state and its local subdivisions will receive because approximately half of the abatement funds are in the form of "incentive payments," *i.e.*, the higher the participation of subdivisions in a state, the greater the amount of settlement fund that flow into that state;

Fifth, you know first-hand the effects of the opioid epidemic on your community. Funds from this Settlement 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; and

Sixth, because pills do not respect boundaries, the opioid epidemic is a national crisis that needs a national solution.

NEXT STEPS

This Settlement require that you take affirmative steps to "opt in" to the Settlement. If you do not act, you will not contribute to reaching the participation thresholds that will deliver the maximum amount of abatement funds to New Hampshire.

First, register your subdivision on the national settlement website so that information and documents required to participate can be sent to you. You will need the email address of the person who will be authorized to sign on behalf of your subdivision. This is the only action item needed at this time.

Second, have your authorizing person(s) or body begin to review the materials on the websites concerning the settlement agreement terms, allocation and other matters. Develop a list of questions for your counsel or the Attorney General's Office. In the very near future, 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 January 2, 2022 deadline to be an initial participating subdivision. Again, the Attorney General's Office, your counsel, and other contacts within the state are available to discuss the specifics of the Settlement within your state and we encourage you to discuss the terms and benefits of the Settlement with them.

Third, monitor your email for further communications, which will include a Participation Agreement, Release, (where applicable) a model Resolution, and instructions on executing and using DocuSign.

We urge you to view the national settlement website at your earliest convenience. Information and documents regarding the national Settlement and your state allocation can be found on the settlement website at https://nationalopioidsettlement.com/.

New Hampshire-specific information can be found on our website at: https://www.doj.nh.gov/opioid-settlement/index.htm.

Questions for the Attorney General's Office can be directed to:

Associate Attorney General James T. Boffetti Office of the Attorney General 33 Capitol Street Concord, NH 03301 james.t.boffetti@doj.nh.gov 603-271-0302

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