

MEMORANDUM

From: PEC
To: Subdivision Counsel
Date: June 12, 2025
Subject: Overview of Remaining Manufacturer Settlements

Introduction

Below is an overview of the recently concluded State, Subdivision and Tribal global settlements with nine of the remaining manufacturer defendants that were identified in the Court's June 22, 2022 and October 7, 2022 Orders. (Docket Nos. 4380 and 4670) (Collectively, all nine settling manufacturers referred to herein as "Settling Defendants") Unlike for Purdue and the other manufacturers in the first wave of settlements, each of these settling manufacturers sold only generic opioid products, with the exception of Indivior which sold only branded buprenorphine opioid addiction treatment products. **The total value of these deals, including the product, is just short of \$1.2 billion.**

The settlements are set to become effective by the end of the year once all conditions are met, and will result in the dismissal of thousands of claims against the Settling Defendants and their family groups. The settlements also will result in the avoidance of hundreds of amendments adding these defendants to cases based on production of the supplemental ARCOS data showing rising market shares for these defendants in those plaintiffs' communities. Eight of the Settling Defendants also agreed to injunctive relief concerning their opioid marketing and suspicious monitoring programs that will be overseen by the States.

In all, it has taken nearly three years of cooperative work amongst the attorneys negotiating for the States, Subdivisions and Tribes to evaluate, mediate, negotiate and settle these cases for nearly \$1.2 billion in cash and product, and to negotiate and prepare for each of the nine Settling Defendants similar but tailored written agreements and exhibits for both the State/Subdivision and Tribal settlements – for a total of 17 settlement agreements and dozens of exhibits.

These results were achieved through investigation of these companies from public sources, review of any DR-22 discovery produced by the defendants, analysis and consideration of the ARCOS data, and requests from and voluntary production of essential liability and financial information by these defendants to fill in any gaps and complete the evaluation of their cases. The settlements avoided prolonged litigation and discovery and required relatively minimal consumption of time by the Court with regard to these defendants.

As reflected in the Settling Defendant summaries below, it should be noted that continuing litigation either in the MDL or coordinated state proceedings with bellwether cases, or in individual cases on remand, presents one of more of the following challenges for each Settling Defendant: (1) They sold only generic opioids and thus did not have nearly the same degree of marketing misconduct as did the branded or hybrid branded/generic opioid manufacturers; (2) they sold relatively smaller volumes of opioids; (3) they exited the opioid business, some many years ago; (4) their sales volumes either exclusively or substantially involved the sale of opioid addiction treatment medications (i.e. suboxone and/or methadone products); (5) they have little or no formal discovery and depositions, thus requiring extensive discovery and litigation workup to get to trial;

and (6) they are experiencing financial difficulties which might make it difficult to settle or collect on substantial judgments to make prolonged litigation worthwhile.

Overall Settlement Summary

The States, Subdivisions and Tribes concluded their written settlement agreements with the following Settling Defendants and their family groups in May 2025:

1. Alvogen Inc.
2. Amneal Pharmaceuticals, Inc.
3. Apotex Inc.
4. Hikma Pharmaceuticals USA, Inc.
5. Indivior Inc.
6. Mylan Pharmaceuticals Inc.
7. Sun Pharmaceutical Industries, Inc.
8. Zydus Pharmaceuticals, Inc.

In addition, a separate settlement agreement was reached between Sandoz Inc. and individual litigating Subdivisions and Tribes. Provided is a table with the numbers with an explanation below.

Defendant	Total Cash	No. Years	Total Product (WAC)	Cash + Product (WAC)	Total Product Cash Conv.	Cash + Product (CC)
Alvogen	\$22,000,000	1	N/A	\$22,000,000	N/A	\$22,000,000
Amneal	\$92,500,000	10	\$180,000,000	\$272,500,000	\$45,000,000	\$137,500,000
Apotex	\$75,000,000	1	N/A	\$75,000,000	N/A	\$75,000,000
Hikma	\$115,000,000	1	\$35,000,000	\$150,000,000	\$7,000,000	\$122,000,000
Indivior	\$51,000,000	5	\$140,000,000	\$191,000,000	\$35,000,000	\$86,000,000
Mylan	\$335,000,000	9	N/A	\$335,000,000	\$0	\$335,000,000
Sandoz	\$99,500,000	1	N/A	\$99,500,000	N/A	\$99,500,000

Sun	\$36,500,000	1	N/A	\$36,500,000	N/A	\$36,500,000
Zydus	\$17,500,000	1	N/A	\$17,500,000	N/A	\$17,500,000
TOTALS	\$844,000,000		\$355,000,000	\$1,199,000,000	\$87,000,000	\$931,000,000

These settlements will provide payments totaling \$844,000,000 in cash and \$355,000,000 in life-saving opioid addiction and overdose treatment drugs. The product components also are convertible to a maximum of \$87,000,000 in cash for product that is not utilized by the States or Subdivisions.

Thus, the total value of these deals for cash and product is \$1,199,000,000, and the maximum cash value of these deals is \$931,000,000. Six of the nine deals will be paid out in the first year, with the remaining three (Amneal, Indivior and Mylan) over a period of years. The settlements will be administered by BrownGreer and Rubris in a manner similar to the prior settlements. The settlement payments will be coordinated so each Subdivision or Tribe receives one combined annual payment for all nine settlements until all payment years are completed.

The allocations between States and Subdivisions of their respective settlement shares are in accordance with the individual States' laws, agreements and arrangements, and align those of with the prior settlements in this litigation. Each particular Subdivision's allocation percentage share is reflected in Exhibit G of the eight State/Subdivision settlement agreements for each Settling Defendant, and the Settlement Fund Administrator will provide notice to each Subdivision of its precise dollar amount it will receive. The agreements have the same base payments and incentives A through D as the prior agreements, except that no D incentive is required for the Alvogen, Apotex and Zydus agreements. The Sandoz settlement will be allocated by the Settlement Referee in accordance with the prior settlement allocations and will be attached as Exhibit B to that agreement.

The MDL Tribal Leadership Committee participated with the MDL PEC in simultaneous negotiations on behalf of the Native American Tribes. Roughly 97% of the above settlement funds are pre-allocated to the States and Subdivisions and 3% to the Native American Tribes. The State and Subdivision settlements are separate from those of the Tribes.

The total maximum attorneys' fees and costs to be paid under these agreements amounts to \$111,726,626. The attorney fee funds will be divided 60/40 between common benefit and contingency fees pursuant to Exhibit R, and are to be administered and disbursed under terms similar to those in Exhibit R to the prior settlements.

Thus, the MDL cases filed against all viable manufacturer defendants identified in the Court's June 22 and October 7, 2022 Orders should be finally and essentially resolved once the Settling Defendants' agreements become effective.¹

¹ The only remaining manufacturer defendant from the Court's June 22 and October 7, 2022 Orders with substantial cases pending against it is KVK Tech, Inc. Based on our investigation to date, KVK Tech appears to be in extreme financial distress and unable to pay any meaningful amount to resolve the pending cases against it let alone

State Subdivision Timetable and Process

All nine of these manufacturer settlements will be rolled out on the same approval and payment schedules. The timetable for the roll out is as follows:

Event	Description	Date	Timing Rule
Notice to Eligible States	Notice of the settlement is delivered to states for sign on	26-May-25	Starting point
Notice Period Ends	Deadline for state initial sign on	25-Jun-25	30 days after Notice to States
Preliminary Agreement Date (PAD)	Deadline for companies to elect to move forward	9-Jul-25	14 days after Notice Period Ends
Deposit Date (one-year deals); Year 1 Payment Date (multi-year deals)	Date upon which funds will be deposited by each company into a separate interest-bearing deposit account	25-Jul-25	30 Days after Notice Period Ends
Subdivision Sign-On Starts	Date upon which subdivisions may first elect to sign-on to the deal	21-Jul-25	No later than 15 days after PAD
Initial Participation Date (IPD)	Participation of Subdivisions measured	8-Oct-25	90 days after PAD
Payment Calculation Date	Settlement Fund payments are calculated	20-Oct-25	60 Days Before Payment Date
Reference Date (RD)	Date on which company is to inform the Settling States of its determination whether the condition in Section IX has been satisfied	7-Nov-25	30 days after IPD
IV.D.4 settlement transfer date (for multi-year deals)	Date on which deposited funds will be transferred to the Settlement Fund	12-Nov-25	5 days after RD

globally. The PEC and the States' negotiation team remains in mediation and discussions with KVK's counsel in seeking a path towards resolution for this defendant as well.

It is our understanding that all or nearly all the MDL cases against manufacturer defendants Pfizer, Medtronic, Abbott and Collegium, which also were identified in the Court's Orders, have been voluntarily dismissed by the plaintiffs that named them.

Also, P.F. Laboratories is a Purdue-related company and so part of the Purdue bankruptcy. Ethex Corporation's parent company, KV Pharmaceutical, emerged from Chapter 11 bankruptcy in 2013, and Ethex (now called Lumara Health) is out of the opioid business. In short, both P.F. Laboratories and Ethex, which were identified by the Court as well in its Orders, are not viable manufacturer defendants.

Payment Date (for one-year deals)	Date on which deposited funds will be transferred to the Settlement Fund	19-Dec-25	Defined Date
Effective Date		6-Jan-26	60 days after Reference Date

Similar to the prior settlements, the Implementation Administrator (Rubris) will email to the individual Subdivisions and their counsel written notice of the opportunity to participate in these settlements along with participation forms and further instructions. According to the above schedule, such notices will be sent July 9, 2025 (the Preliminary Agreement Date) or shortly thereafter, and Subdivisions will have 90 days to approve and return their participation form (by October 8, 2025) in order to count towards the required participation thresholds and conditions. Subdivision counsel may wish to notify their clients prior to the July 9, 2025 notice date concerning these settlements so as to facilitate the approval process for the settlements by the October 8, 2025 participation deadline.

Settling Defendant Liability and Settlement Summaries

Below are summaries of the background and settlement terms for each of the Settling Defendants.

1. Alvogen Inc.

Background:

Alvogen Inc. is a privately-held pharmaceutical drug manufacturer that was founded in 2009. The current owner of the company is CVC Capital Partners, a Luxembourg-based private equity firm. Alvogen's opioid products are manufactured by its affiliate Norwich Pharmaceuticals, Inc. Alvogen provided information showing it is in substantial financial distress, and likely would not be able to engage in prolonged litigation or pay substantial judgments against it.

The ARCOS data reflects that from 2012 to the present, Alvogen manufactured and sold generic opioid products, including generic oxycodone, fentanyl patch and Suboxone film products. Alvogen's ARCOS data indicates it sold nearly 1.8 billion opioid dosage units and over 35 billion MMEs from 2012 to 2019, and that it had a total market share of about 0.9% for dosage units and 0.8% for MMEs for the entire 2006 to 2019 period for which we have ARCOS data. Of note, Alvogen's oxycodone market share was about 2.8% for dosage units for that period with a peak market share of over 7% in 2017, before declining slightly in both sales and market share.

Settlement:

Alvogen settled globally for \$22,000,000, with a single payment to be made this year. Alvogen also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

2. Amneal Pharmaceuticals, Inc.

Background:

Amneal is a publicly traded company. Amneal got into the opioid business when it purchased the assets of Interpharm Holdings, Inc. in 2008, including its opioid portfolio. In 2018 Amneal merged with another opioid manufacturer, Impax Laboratories, Inc. Investigation into Amneal's finances indicated it carried substantial debt and was in considerable financial distress, and it

would have been difficult for Amneal to engage in prolonged litigation and satisfy its resultant liability.

The ARCOS data reflects that from 2008 to the present, Amneal manufactured and sold generic opioid products, including generic oxycodone and hydrocodone products. Impax started selling generic oxymorphone (Opana ER) in 2013 after entering into a deal with Endo Pharmaceuticals, which owned the branded rights to the product. After the 2018 merger with Impax, Amneal continued selling Impax's generic oxymorphone product. In 2013 Amneal started selling generic buprenorphine opioid addiction treatment products.

Amneal's ARCOS data indicates it sold over 9 billion opioid dosage units and over 111 billion MMEs from 2006 to 2019, and that it had a total market share of about 4.5% for dosage units and 2.5% for MMEs for the entire 2006 to 2019 period for which we have ARCOS data. Of note, Amneal's oxycodone market share was about 4.8% for dosage units for that period with a peak market share of over 11% in 2016. By 2019, Amneal's oxycodone dosage units had declined by over 80%, and its market share declined to just over 3%. Amneal's hydrocodone dosage unit market share peaked at almost 9% in 2015, and that market share has declined slightly while its total dosage units sold dropped about 43%. Amneal's oxymorphone market share (through Impax) rose from just over 13% in 2013 when it first started selling the drug to over 60% in 2019. Its sales volume peaked in 2016 with over 30 million dosage units sold, but declined to just over 17 million dosage units in 2019.

Initial discovery in the New Mexico state court litigation obtained through the MDL DR-22 production order indicated Amneal had a deficient SOM system.

New Mexico and its subdivisions ultimately settled with Amneal for \$725,000 cash and \$1.6 million in product (valued at WAC). West Virginia and its subdivisions, which also were in active state court litigation with Amneal, settled with Amneal for \$700,000 and \$1 million in product (valued at WAC).²

Settlement:

Amneal settled globally for \$92,500,000 cash and \$180,000,000 in opioid overdose product valued at Wholesale Acquisition Cost. States and Subdivisions may convert their product shares to cash for a maximum value of \$45,000,000. The combined maximum cash value of the settlement is \$137,500,000, payable over 10 years. Amneal also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

3. Apotex, Inc.

Background:

Apotex, Inc. is a privately-held pharmaceutical drug manufacturer based in Canada. In April 2023 Apotex was acquired by SK Capital Partners LP, which owns a portfolio of businesses including now Apotex. Apotex only has ever sold a generic fentanyl patch product, which it acquired in 2012 when it purchased Aveva Drug Delivery Systems. Apotex sold Aveva along with its generic fentanyl patch product line in March 2023, and no longer sells any opioid products.

² Please note that for the Amneal settlement and others in this group including for Hikma and Mylan, previously settled States and Subdivisions are not eligible to participate with respect to their settled defendants.

Apotex's ARCOS data indicates it (and Aveva before it) has been selling its opioid patch product since 2006, selling a total of over 68 million dosage units through 2019. Over that period, Apotex had about 4.8% of the fentanyl dosage unit and MME markets.

Settlement:

Apotex settled for \$75,000,000, with a single payment to be made this year. Apotex also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

4. Hikma Pharmaceuticals USA Inc.

Background:

Hikma is a publicly traded company. Hikma changed its name from West-Ward Pharmaceuticals, Inc. in 2018. Hikma has offered a wide range of generic opioid products at least since 2006, including generic oxycodone, hydromorphone, oxymorphone, morphine, meperidine, levorphanol, buprenorphine, and methadone products. In 2016, Hikma acquired Roxane Laboratories, including its generic opioid portfolio, from Boehringer Ingelheim for \$2.65 billion.

Hikma's ARCOS data indicates it sold nearly 7.6 billion opioid dosage units and over 384 billion MMEs from 2006 to 2019, and that it had a total market share of about 3.8% for dosage units and about 8.9% for MMEs for the entire 2006 to 2019 period for which we have ARCOS data. It should be noted that a large percentage of its MME sales (325 billion MMEs) are attributable to its sales of buprenorphine and methadone opioid addiction treatment products, which by their nature of having high MME content greatly inflate Hikma's MME numbers.

From 2006 to 2019, Hikma had over 9.9% of the hydromorphone dosage unit market, 12% of the morphine market, and nearly 13% of the meperidine market. Its oxycodone market share for that period, however, was just over 1.4% for dosage units. Hikma's market share for its opioid addiction treatment products were just over 13.7% for buprenorphine and just over 40% for methadone during that period.

Initial discovery in the New Mexico state court litigation obtained through the MDL DR-22 production order indicated Hikma had a deficient SOM system. New Mexico and its subdivisions settled with Hikma for \$500,000 cash and \$1.2 million in opioid overdose product (valued at WAC).

Settlement:

Hikma settled globally for \$115,000,000 cash payable in a single payment this year, and \$35,000,000 in opioid overdose product valued at Wholesale Acquisition Cost. States and Subdivisions may convert their product shares to cash for a maximum value of \$7,000,000. The combined maximum cash value of the settlement is \$122,000,000. Hikma also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

5. Indivior Inc.

Background:

Indivior is a publicly traded company, after it was spun-off from its former parent Reckitt Benckiser Group in 2014. Before the spin-off, Indivior was known as Reckitt Benckiser Pharmaceuticals, Inc.

Indivior marketed, sold, and distributed branded Suboxone tablets and Subutex starting in 2002, and started marketing branded Suboxone film starting in 2010. Indivior also markets a branded injectable buprenorphine product for opioid dependence called Sublocade, which was approved by the FDA in 2017.

Suboxone tablets and film are buprenorphine and naloxone combination products, and Subutex is a buprenorphine-only product. Buprenorphine is a Schedule III opioid and has a “ceiling effect” making it less prone to respiratory depression than Schedule II opioids, such as oxycodone and hydrocodone. The naloxone component in Suboxone is intended to induce opioid withdrawal symptoms and is protective against overdose. Properly prescribed, Suboxone and Subutex are effective treatments for opioid use disorder. However, Suboxone and Subutex remain powerful opioids that can be subject to misuse and diversion, especially when not properly prescribed.

Since 2002, Indivior dominated the buprenorphine addiction treatment market, including even after its tablet and film products lost their exclusivity and generic competitors entered the market. The ARCOS data indicates Indivior’s total buprenorphine market share from 2006 through 2019 was over 61% for dosage units (with over 2.5 billion units sold).³

Indivior contends that unlike other settling manufacturers that sell and distribute Schedule II opioid pain medications, Indivior sells only Schedule III buprenorphine-based opioid addiction treatment products. Indivior thus contends its opioid addiction treatment products are part of the solution to the opioid crisis and not its cause. We maintained that Indivior’s marketing misconduct and lack of a proper surveillance program, however, led to improper prescribing and supervision of patients and consequent misuse, abuse and diversion of its products.

Settlement:

Indivior settled globally for \$51,000,000 cash and \$140,000,000 in its branded injection opioid addiction treatment product (Sublocade) and its branded opioid overdose treatment drug (Opvee), which are valued at Wholesale Acquisition Cost. States and Subdivisions may convert their product shares to cash for a maximum value of \$35,000,000. The combined maximum cash value of the settlement is \$86,000,000, payable over 5 years. Indivior also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

6. Mylan Pharmaceuticals Inc.

Background:

Mylan is a publicly traded company. In 2020, Mylan changed its name to Viatris after its merger with Upohn, which had been a division of Pfizer.

Mylan’s main opioid product is a fentanyl patch, which it manufactured and sold starting in 2005 and continues to sell today. Mylan’s patch product was the first generic version of Janssen’s Duragesic patch, and initially was in direct competition with Sandoz which was Janssen’s first authorized generic manufacturer for its Duragesic product. Mylan’s product differed from those of Janssen/Sandoz in that Mylan’s was smaller and utilized a solid fentanyl adhesive matrix instead of a liquid fentanyl reservoir.

³ The U.S. Department of Justice investigated Indivior and its former parent Reckitt, and ultimately filed a criminal indictment of Indivior in April 2019 for causing false claims to be submitted to government healthcare programs. After extensive investigation and discovery, Reckitt settled the matter for \$1.4 billion in July 2019. Indivior settled for \$600 million in November 2020, and entered guilty pleas in the related criminal matters.

Mylan also sold generic oxycodone products from 2008 to 2015; generic hydrocodone products from 2007 to 2019; generic morphine sulfate ER tabs from 2011 to 2018; and branded Ultiva from 2008 to the present, which is a short-acting injectable opioid generally used after surgery in a hospital setting.

Mylan also is in the OUD treatment market, selling generic buprenorphine products (generic Suboxone film and Subutex) and selling injectable methadone from 2009 to the present. Mylan also launched a generic Suboxone film product in 2019 to compete with Indivior's branded version of the drug immediately after it went generic.

Mylan acquired Meda Pharmaceuticals in 2016, which marketed a branded TIRF film opioid product called Onsolis from 2009 to 2011 which competed with Teva's Fentora and Actiq and other TIRF products.

Mylan's ARCOS data indicates it sold over 1 billion dosage units, or about 0.5% of the opioid market from 2006 to 2019, and over 219 billion MMEs, or just over 5% of the opioid market for that period. Fentanyl patches have extremely high MME content, and so a relatively low number of dosage units generates high MME values. Mylan's overall sales peaked in 2014 at 172 million dosage units and just over 1% market share, and 21 billion MMEs in 2008 at 7.8% of the overall market. Mylan's dosage units for 2019 have dropped to just 19 million and 0.2% of the market, and 2.3% for MMEs. Mylan's generic oxycodone, hydrocodone and generic Suboxone business is relatively small, with less than half a percent market share for each.

Mylan entered into a settlement with West Virginia and its subdivisions, which were in active state court litigation with Mylan, for \$1,995,000.

Settlement:

Mylan settled globally for \$335,000,000 cash, payable over a nine year schedule. Mylan also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

7. Sandoz Inc.

Background:

Sandoz is a publicly traded company which was spun off from Novartis in October 2023 as part of its divestiture of its generic drug business.

Sandoz's main opioid product was a fentanyl patch, having started as Janssen's authorized generic seller in 2005 to compete with Mylan, which had also entered the generic patch market in 2005 with its own patch technology. Sandoz wound down its patch sales in 2018. Sandoz briefly entered the generic suboxone film market in 2019 as Indivior's authorized generic for that product, but was out of that market in about a year. Sandoz is now completely out of the opioid market.

Settlement:

Sandoz was the first of this group of manufacturer defendants to settle. In August 2023, Sandoz agreed to settle over 900 individual Subdivision and Tribe opioid cases filed against it in federal and state courts. The settlement was for \$99,500,000 to be split amongst the plaintiffs in proportion to their original Purdue settlement allocations. Sandoz has already paid the full amount into a settlement fund, which will be distributed to the settling plaintiffs along with the first year payments from the other settlements.

Since the States were not involved in the Sandoz settlement, there is no injunctive relief agreement as part of this settlement. Sandoz stopped selling opioid medications in 2019,

8. Sun Pharmaceuticals Industries, Inc.

Background:

Sun is a publicly traded company that primarily sells generic pharmaceutical products, including generic opioid products. Sun acquired Ranbaxy Pharmaceuticals and its generic opioid portfolio in 2015. Also in 2015, Sun acquired Glaxo Smith Kline's Tasmanian opioid supply company.

Sun has been selling opioids since at least 2006, including primarily generic oxycodone and hydrocodone products. Sun sells other opioids, including generic morphine and buprenorphine products, but to a much lesser degree.

Sun's ARCOS data indicates it sold nearly 2.5 billion dosage units and over 32 billion MMEs, which is about 1.25% and 0.75% market shares respectively for the 2006 to 2019 period for which we have ARCOS data. Sun's oxycodone market share was about 1.7% for dosage units during that period, peaking at about 3.5% in 2014. Sun sold nearly 177 million oxycodone dosage units that year, but by 2019 its sales had declined to just over 79 million units. Sun's hydrocodone and morphine data is even less, and its buprenorphine sales were negligible.

Settlement:

Sun settled globally for \$36,500,000 cash, payable in a single payment this year. Sun also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.

9. Zydus Pharmaceuticals, Inc.

Background:

Zydus is a publicly traded company that acquired Neshor Pharmaceuticals and its opioid portfolio in 2011. Zydus's opioid products consisted of generic MS Contin and morphine. Zydus sold nearly 1 billion dosage units of these drugs from 2013 to 2019, with its peak year in 2016 at 255 million dosage units. Its sales dropped dramatically in 2018 to 94 million dosage units and just over 1 million dosage units in 2019, and it completely exited the opioid market after that year.

Settlement:

Zydus settled globally for \$17,500,000, which it already paid into a settlement fund this year for distribution in the first year of payments. Zydus also agreed to injunctive relief for its opioid marketing and suspicious order monitoring.