



Herbert H. Slatery III Attorney General & Reporter

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AG SLATERY ANNOUNCES UPDATED SETTLEMENT WITH OPIOID MANUFACTURER MALLINCKRODT

Nashville- Attorney General Herbert H. Slatery III today announced an update to a global settlement framework agreement between 50 state attorneys general, local subdivisions, and the opioid manufacturer Mallinckrodt (MNK), its subsidiaries, and certain other affiliates. Under the new settlement pending before the bankruptcy court, MNK will pay \$1.6 billion into a trust as described below. MNK is currently the largest generic opioid manufacturer in the United States.

"We are holding this company accountable to the fullest extent possible to ensure these substantial funds are quickly available to abate the opioid crisis in our communities," said General Slatery.

MNK will pay \$1.6 billion of cash into a trust that will go toward abating the opioid crisis, including valid claims related to MNK's role in the opioid crisis raised by non-governmental claimants. MNK will pay the \$1.6 billion according to the following schedule:

- \$450 million upon emergence from bankruptcy;
- \$200 million annually on first and second anniversary of emergence from bankruptcy; and
- \$150 million annually on 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 and ensure systems are in place to prevent drug misuse.

This payment schedule improves the February deal by moving \$150 million from the last payment to the first. Since the February settlement, MNK has taken on additional liability due to other legal issues and the impact of COVID-19. As a result, MNK is now putting the entire company into bankruptcy, which requires that the February agreement be renegotiated.

Details about how much each state will receive, how the money will be distributed, and how the trust will be administered are all still being negotiated.

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