Gerard Uzzi
Alexander B. Lees
MILBANK LLP
55 Hudson Yards
New York, New York 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

Gregory P. Joseph
Mara Leventhal
JOSEPH HAGE AARONSON LLC
485 Lexington Avenue, 30th Floor
New York, New York 10017
Telephone: (212) 407-1200
Facsimile: (212) 407-1280

Counsel for the Raymond Sackler Family

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: PURDUE PHARMA L.P., *et al*., Debtors. [1]	Chapter 11 Case No. 19-23649 (RDD) Jointly Administered

THE RAYMOND SACKLER FAMILY'S MOTION FOR RULE 9011 SANCTIONS AGAINST CALIFORNIA, CONNECTICUT, MARYLAND, RHODE ISLAND, AND THE DISTRICT OF COLUMBIA

[1] The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. ("PPLP") (7484), Purdue Pharma Inc. ("PPI") (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014) (collectively, the "**Debtors**"). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

PLEASE TAKE NOTICE that the Raymond Sackler Family will move this Court, the Honorable Robert D. Drain, at the United States District Courthouse, 300 Quarropas Street, White Plains, NY 10601-4140, at a date and time to be set by the Court, for an order imposing sanctions pursuant to Bankruptcy Rule 9011 against the States of California, Connecticut, Maryland, and Rhode Island and the District of Columbia (the "**States**"), and the counsel for each and all of them responsible for the Rule 9011 violations ("**Counsel**"), on the ground that—in the consolidated Proof of Claim filed in this Court by each State ("**Proof of Claim**" or "**POC**") and the State-specific Supplement each State appended to the POC (the "**Supplement**") (Exs. A-E)—each State presented to this Court allegations and factual contentions that are utterly lacking evidentiary support, in violation of Bankruptcy Rule 9011(b)(3). Each State and Counsel either knew that these factual contentions lacked evidentiary support or would have known, had they conducted the reasonable inquiry mandated by Rule 9011(b) before filing the POC and its Supplement.

The Raymond Sackler Family seeks sanctions including, but not limited to, reprimanding the offenders, striking the unsupported factual contentions, fees and expenses incurred in connection with making this motion, and such other sanctions as the Court deems appropriate.

PLEASE TAKE FURTHER NOTICE that, pursuant to Rule 9011(c)(1)(A), this motion is being served on the States and Counsel but will not be filed with, or presented to, the Court unless, within 21 days after service of the motion, the States fail to withdraw or appropriately correct the unsupported factual contentions identified below.

The specific conduct that violates Bankruptcy Rule 9011(b) and is the subject of this motion is set forth below:

1. On July 30, 2020, each State filed in this Court an identical consolidated Proof of Claim, and appended to the POC its State-specific Supplement. The claim number of each State's

consolidated POC with its State-specific Supplement is set forth on Exhibits A-E to this motion.

2. By filing the Proof of Claim with its Supplement, each State presented to this Court all of the factual contentions it incorporated in the POC and its Supplement.

3. When each State filed the POC and its Supplement on July 30, 2020, it had available to it millions of pages of discovery pertaining to the factual contentions it presented to this Court.

4. By presenting to this Court the factual contentions it incorporated in the POC and its Supplement on July 30, 2020, each State certified, by operation of Rule 9011(b), that those factual contentions had evidentiary support based on a reasonable inquiry.[2] "A reasonable inquiry requires an attorney to ensure that the pleading or filing ... contains factual allegations that are not utterly lacking in evidentiary support."[3] "Reasonable inquiry means that the pleader must seek sufficient credible information, rather than proceeding on mere suspicions, opinions, or conclusions."[4]

5. The Proof of Claim filed by each State expressly incorporates, in multiple places, the factual contentions of the complaints filed by that State against the Debtors and others, among them members of the Raymond Sackler Family, and thereby certified that those factual contentions

---

[2] *See In re Obasi*, No. 10-10494 SHL, 2011 WL 6336153, at *7 (Bankr. S.D.N.Y. Dec. 19, 2011) ("Bankruptcy Rule 9011 has specifically been held to apply to proofs of claim."). *See also, e.g.*, *In re McAllister*, 123 B.R. 393, 397 (Bankr. D. Or. 1991) (imposing Rule 9011 sanctions on state revenue department for filing proof of claim not well grounded in fact).

[3] *Kingvision Pay-Per-View Ltd. v. Ramierez*, 2005 WL 1785113, at *1 (S.D.N.Y. July 28, 2005) (citation and internal punctuation omitted).

[4] *Rankin v. City of Niagara Falls*, 2012 WL 3886327, at *6 n.7 (W.D.N.Y. Sept. 6, 2012) (citations and quotation marks omitted), *report and recommendation adopted in relevant part by* 293 F.R.D. 375 (W.D.N.Y. 2013).

complied with Rule 9011.[5] For example:

- Paragraph 13 of the Attachment to the Proof of Claim (the "**Attachment**") on PDF page 10 of Ex. A states: "The complaints filed in each [State's] lawsuit(s) and all allegations and prayers for relief set forth in those complaints are incorporated into this Consolidated Claim as if fully set forth herein" (emphasis added).

- Footnote 8 of the Attachment on PDF page 9 of Ex. A states: "Additional relevant facts are detailed in the complaints filed by the states, available at https://www.mass.gov/lists/state-lawsuits-against-purdue-pharma, and summarized below."

- The response to Item 10 of the POC ("*Describe the conduct of the Debtors You allege resulted in injury or damages to You*.") on PDF page 3 of Ex. A states: "See the Attachment, schedule 10, and the complaints filed by the [States] against the Debtors (which are also referenced in schedule 10)."[6]

- The response to Item 14 of the POC ("*Please provide the following supporting documentation if you would like (but You are not required) to supplement this proof of claim*.") on PDF page 4 of Ex. A checks the box that reads: "In lieu of uploading or submitting the complaint filed against the Debtor(s), the creditors authorize the Debtors to make the complaints set forth on the schedules accompanying this claim available to ... the Court ... for use in connection with this proof of claim...."

6. Each State identified its relevant lawsuit in Part 2 of its State-specific Supplement.

I. CALIFORNIA

7. The complaint that California incorporated in the Proof of Claim and identified in its Supplement (Ex. A) is the First Amended Complaint filed in *People of the State of California*

---

[5] Advisory Committee Note (1993) to FED. R. CIV. P. 11: "[I]f ... a party urges in federal court the allegations of a pleading filed in state court…, it would be viewed as 'presenting'—and hence certifying to the district court under Rule 11—those allegations." *See also, e.g., In re Engle Cases*, 283 F. Supp. 3d 1174, 1211 (M.D. Fla. 2017) ("While Rule 11 does not apply to papers originally filed in state court ... '[t]he signer has an obligation not to re-present a ... pleading that violates Rule 11 ... once the action is removed'") (citation omitted); *James W. Simpson Co. v. Tri-Sen Sys., Inc.*, 1990 WL 130511, at *4 (W.D.N.Y. Aug. 29, 1990) ("[W]here a frivolous set of allegations contained in state court papers is 'repeated' in federal court papers, these latter papers, viewed as of the moment of repetition, are properly the subject of sanctions under rule 11.").

[6] The Proof of Claim includes a Schedule ("**Schedule 10**") identifying "additional theories asserted by individual" States (*see* Attachment ¶5 at PDF page 5)—the so-called "State/Territory Supplement Claims"—including for each State.

v. Purdue Pharma L.P., Case No. 19STCV19045 (Cal. Super. Ct. Oct. 2, 2019) ("**CA AG FAC**"). California thereby presented to this Court numerous factual contentions utterly lacking evidentiary support in violation of Rule 9011(b). California's inclusion of the following allegations in the POC and its Supplement violated Rule 9011(b)(3).

8. **Marianna Sackler.** The Proof of Claim and Supplement incorporate California's allegations in CA AG FAC ¶21 that, "[a]t all relevant times, Marianna Sackler, [redacted], has transacted business throughout California, including in Los Angeles County." There is no evidentiary support for ¶21. Marianna Sackler was never an officer or director of Purdue Pharma LP ("**PPLP**") or Purdue Pharma Inc. ("**PPI**" and, together with PPLP, "**Purdue**"). Her entire work history at Purdue consisted of a stint of about four months in Purdue's Research & Development Department in Connecticut in approximately 2009-2010. The CA AG FAC does not cite or identify any evidentiary support for the false allegation in ¶21. Nor did California produce or identify any documents responsive to Request No. 17 of the Raymond Sackler Family's First Requests for the Production of Documents to the State of California served June 4, 2021 ("**California RFPs**") seeking documents supporting the allegations of ¶21. California either knew that the allegations in ¶21 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

9. The POC and Supplement incorporate California's allegations in CA AG FAC ¶1 that Marianna Sackler "creat[ed] a public nuisance" and engaged in "deceptive marketing of prescription opioids and violations of unfair competition law." There is no evidentiary support for these allegations. Nor did California produce or identify any documents responsive to Request No. 21 of the California RFPs seeking "[a]ll documents supporting Your allegation in ¶1 of the CA AG FAC that Marianna Sackler "creat[ed] a public nuisance" or engaged in "deceptive

marketing of prescription opioids and violations of unfair competition law." California either knew that the allegations about Marianna Sackler in ¶1 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

10. Tellingly, California did not produce or identify any documents responsive to Request No. 32 of the California RFPs seeking "[a]ll other documents supporting your allegations that Marianna Sackler did anything that renders her liable on any claim in the CA AG FAC." Moreover, Marianna Sackler was deposed in these cases—including by counsel for California—and no evidence supporting the allegations against her was elicited. California either knew that the allegations about Marianna Sackler in the CA AG FAC lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

11. **Allegations of Knowing Deception and Violations of Law.** The POC and Supplement incorporate California's allegations that Marianna, Beverly, David, Jonathan and Richard Sackler engaged in, and were complicit with others engaging in, deceptive marketing and violations of law. These include:

- **CA AG FAC ¶8**: "The Sacklers were directly involved in developing, directing, and voting on Board matters that facilitated Purdue's deceptive practices."
- **CA AG FAC ¶31**: "At all relevant times, each Defendant knew or realized, or should have known or realized, that the other Defendants were engaging in or planned to engage in the violations of law alleged in this Complaint."
- **CA AG FAC ¶101**: After Purdue's 2007 guilty plea, "the Sacklers ... doubled down and continued the deceptive marketing campaign to healthcare providers, patients, and the public about Purdue's extended-release opioid drugs."
- **CA AG FAC ¶191**: "Each of the Sacklers made decisions that misled California consumers and healthcare providers...."
- **CA AG FAC ¶231**: "Defendants ... have made and caused to be made written and oral representations concerning OxyContin and other opioid products and matters of fact, which Defendants knew, or by the exercise of reasonable care should have known, were false, deceptive or misleading at the time they were made...."

- **CA AG FAC ¶246**: "Defendants ... affirmatively directed and engaged in the widespread, deceptive promotion and over-promotion of the use of extended-release opioids with knowledge of the public health hazard."

12. There is no evidentiary support for any of these allegations. Notably, California did not produce or identify any documents responsive to any of the following California RFPs:

- Request No. 14 seeking "[a]ll documents reflecting that any member of the Raymond Sackler Family [from May 1, 2007 to the present] directed any Purdue employee to market Prescription Opioids in a way that was false or deceptive."

- Request No. 15 seeking "[a]ll documents reflecting that any member of the Raymond Sackler Family [from May 1, 2007 to the present] approved any Purdue marketing that was false or deceptive."

- Request No. 16 seeking "[d]ocuments sufficient to identify all marketing by Purdue in California [from May 1, 2007 to the present] that You contend was deceptive and (1) You contend was approved by a member of the Raymond Sackler Family or (2) You contend a member of the Raymond Sackler Family knew was false or deceptive—and all documents showing such approval and knowledge."

- Request No. 18 seeking "[a]ll documents supporting Your allegation in ¶8 of the CA AG FAC that '[t]he Sacklers were directly involved in developing, directing, and voting on Board matters that facilitated Purdue's deceptive practices....'"

- Request No. 19 seeking "[a]ll documents supporting Your allegation in ¶101 of the CA AG FAC that, after Purdue's 2007 guilty plea, 'the Sacklers doubled down and continued the deceptive marketing campaign to healthcare providers, patients, and the public about Purdue's extended-release opioid drugs.'"

- Request No. 22 seeking "[a]ll documents supporting Your allegation in ¶194 [*sic*: ¶191] of the CA AG FAC that "[e]ach of the Sacklers made decisions that mislead California consumers and healthcare providers."

13. The foregoing allegations in CA AG FAC ¶¶8, 31, 101, 191, 231 and 246 are utterly lacking in evidentiary support. It is undisputed that Marianna Sackler was never an officer or director of PPLP or PPI and, in her brief stint at the Company in 2009-10, worked in Research & Development. She had nothing to do with any of the matters alleged in ¶¶8, 31, 101, 191, 231 and 246. It is also undisputed that, at all relevant times—from June 1, 2007 through the departure of the last member of the Raymond Sackler Family from the PPI Board

on December 8, 2018 (the "**Relevant Period**")—Beverly, David, Jonathan and Richard Sackler—who served on the PPI Board—received extensive reports from Purdue management, outside counsel and the Office of Inspector General ("**OIG**") of the U.S. Department of Health and Human Services ("**HHS**") confirming that Purdue's opioid marketing was being conducted in compliance with Purdue's Corporate Integrity Agreement ("**CIA**") and with law, and that compliance was a top priority of management. All of these reports are contained in the discovery that was available to California when it presented to this Court the unsupported factual contentions in CA AG FAC ¶¶8, 31, 101, 191, 231 and 246. The evidence that California ignored or disregarded includes:

- **Quarterly Compliance Reports ("QCRs").** The Board received detailed quarterly compliance reports from management documenting and certifying that Purdue was operating in compliance with law throughout the Relevant Period.[7]

- **OIG Monitor & IRO Reports.** For the period from July 31, 2007 through July 30, 2012, while the five-year CIA between Purdue and the OIG of HHS was in effect, the Board was informed that the OIG[8] and the Independent Review

[7] *See* 10/31/07 QCR (PPLPC019000172297); 2/8/08 QCR (PPLPC019000195607); 1Q 2008 QCR (PPLP004401169); 2Q 2008 QCR (PPLP004401342); 3Q 2008 QCR (PPLP004402032); 4Q 2008 QCR (PPLP004402205); 1Q 2009 QCR (PPLP004402651); 2Q 2009 QCR (PPLPC012000236639); 3Q 2009 QCR (PPLP004402982); 4Q 2009 QCR (PPLP004403707); 1Q 2010 QCR (PPLP004404102); 2Q 2010 QCR (PPLP004404551); 3Q 2010 QCR (PPLP004405460); 4Q 2010 QCR (PPLP004405709); 1Q 2011 QCR (PPLP004406032); 2Q 2011 QCR (PPLP004406466); 3Q 2011 QCR (PPLP004406790); 4Q 2011 QCR (PPLP004407554); 1Q 2012 QCR (PPLP004407950); 7/19/12 QCR (PPLPUCC9002892662); 3Q 2012 QCR (PPLP004408439); 4Q 2012 QCR (PPLP004409357); 1Q 2013 QCR (PPLP004409694); Jul. 25, 2013 QCR (PPLP004409783); 3Q 2013 QCR (PPLP004410506); 4Q 2013 QCR (PPLP004410797); 1Q 2014 QCR (PPLP004411166); 2Q 2014 QCR (PPLP004411277); 4Q 2014 QCR (PPLP004411811); 1Q 2015 QCR (PPLP004412071); 2Q 2015 QCR (PPLP004412152); 3Q 2015 QCR (PPLP004412546); 4Q 2015 QCR (PPLPC063000018836); Aug. 25, 2016 QCR)(PPLPUCC003271544); 3Q 2016 QCR (PPLPUCC9002790025); Mar. 2017 QCR (PPLP004413913); Jun. 2017 QCR (PPLP004414244); Aug. 2017 QCR (PPLPC021000899767); 3Q 2017 QCR (PPLPC022001020792); Dec. 2017 QCR (PPLPC021000920798); Mar. 2018 QCR (PPLP004414931); 8/10/18 QCR (PPLP004415061).

[8] *See* 2Q 2009 QCR, p. 6: "By May 6th letter, OIG confirmed Purdue's compliance with the requirements of our CIA during the first year, based on their review of our Annual Report and other materials" (PPLPC012000236639); Quarterly Report to Board, April 2010, p. 12: "By letter dated

Organization ("**IRO**") appointed pursuant to the CIA[9] confirmed that Purdue was operating in compliance with its CIA, which had been implemented to assure Purdue's compliance with federal healthcare law (*see* CIA §I, first paragraph).

- **Skadden as Outside Compliance Counsel.** In July 2012, as the OIG monitorship was coming to an end, the Board was informed that PPLP had retained Skadden to provide ongoing reviews of compliance program effectiveness.[10] In 2016, the Board was informed that, in the fourth quarter of 2015, Skadden had conducted a compliance review of PPLP's field promotional activities and had given Purdue's commercial compliance program a positive review.[11] The Board was told that Skadden concluded that "compliance controls are consistent with industry practice and requirements established in recent Corporate Integrity Agreements between pharmaceutical manufacturers and OIG."[12] The Board was told that management proactively implemented Skadden's suggestions.[13]

- **Post-CIA Enhancement of Compliance Program.** The Board was informed that,

---

April 1st, Purdue's OIG Monitor confirmed that ... Purdue was in compliance with the terms of its Corporate Integrity Agreement during the second reporting period" (PPLP004317547); *see also* 5/2/11 Quarterly Report to Board, p. 23 (PPLPC012000322448); 3/8/12 OIG Letter to Purdue (PPLP004428603); 1/24/13 OIG Letter to Purdue (PPLP004427723); 1Q 2013 QCR, p. 2 (PPLP004409695).

9 Every year the CIA was in effect, the IRO documented its findings in comprehensive reports, issuing a total of 8 reports over 5 years. *See* IRO's Report on Promotional and Product Services Transactions Engagement, Reporting Period 1 (PPLPC057000008159); IRO's Report on Promotional and Product Services Systems Engagement, Reporting Period 2 (PPLP004433812); IRO's Report on Promotional and Product Services Transactions Engagement, Reporting Period 2 (PPLP004433931); IRO's Report on Additional Promotional and Product Services Systems Assessment: Funding of Charitable Grants and Sponsorships, Reporting Period 3 (PPLP004434741); IRO's Report on Promotional and Product Services Transactions Engagement, Reporting Period 3 (PPLP004434457); IRO's Report on Promotional and Product Services Systems Engagement, Reporting Period 4 (PPLPC021000573227); IRO's Promotional and Product Services Transactions Engagement, Reporting Period 4 (PPLP004432560); IRO's Report on Promotional and Product Services Transactions Engagement, Reporting Period 5 (PPLP004434983). The Board was informed that the IRO's reports were positive and contained suggestions for improvement, which were implemented. *See, e.g.*, 3Q 2009 QCR (PPLP004402982) at -987, -990. To the extent the IRO made any findings that were not positive, the Board was informed they were minor and remediated. *See, e.g.*, 3Q 2008 QCR (PPLP004402032) at -038; Nov. 9, 2011 Quarterly Report to the Board (PPLP004366871) at -896; 3Q 2012 Quarterly Report to the Board (PPLP004366816) at -860.

10 2Q 2012 QCR (PPLPUCC9002892662) at slide 7.

11 4Q 2015 QCR (PPLPC063000018836) at -837-38.

12 3Q 2016 QCR (PPLPUCC9002790025) at slide 3 (notes).

13 March 2017 QCR (PPLP004413913) at -920.

in addition to hiring Skadden, Purdue would maintain and enhance its compliance program after the CIA ended,[14] and the Board received detailed compliance reports each quarter after July 2012 through 2018 documenting that.

- **Consistent Reports of Continuing Compliance.** During the Relevant Period, the reports to the Board concluded with management's documented determination that Purdue had satisfied all of its compliance obligations. For example:

- **2007**: "Purdue is in full compliance with AG Agreement" ●"Purdue is in full compliance with CIA" ● "Full compliance with State Law Requirements"[15]

- **2008**: "First Annual Report to OIG submitted ... certifies to all CIA requirements" ● "Purdue is also in full compliance with its AG Agreements" ● "State Law Reporting Update ... No compliance issues identified"[16]

- **2009**: "Review of call notes and other monitoring has uncovered[:] No Improper Promotion ● No Inappropriate discussion of abuse, diversion, tolerance, withdrawal ● No violations of Law" ● "State Law Reporting Update ... No compliance issues identified"[17]

- **2010**: "Year three of Purdue's five year CIA closes as of July 30, with all requirements met...."[18]

- **2011**: "All requirements under the CIA have been met in Reporting Period 4, including all critical field-based CIA requirements" ● "Marketing & Sales ... No compliance shortcomings to report"[19]

---

14 2Q 2012 QCR (PPLPUCC9002892662) at slide 12, *ff*.

15 8/6/07 Compliance Report (PPLP004399954) at -955. *See also* 3Q 2007 Board Report (PPLPC012000157402) at -461; 4Q 2007 Board Report (PPLP004367604) at -629.

16 3Q 2008 QCR (PPLP004402032) at -036, -044. *See also, e.g.*, Feb. 8, 2008 QCR (PPLPC019000195607) at slide 3; 1Q 2008 QCR (PPLP004401169) at -171; 1Q 2008 Board Report (PPLP004367134) at -157; 2Q 2008 Board Report (PPLP004367297) at -324; 3Q 2008 QCR (PPLP004402032) at -036; 4Q 2008 QCR (PPLP004402205) at -220.

17 1Q 2009 QCR (PPLP004402651) at -654, -665. *See also, e.g.*, 2Q 2009 QCR (PPLPC012000236639) at slide 3; 3Q 2009 QCR (PPLP004402982) at -984; *id.* at -986; 4Q 2009 QCR (PPLP004403707) at -718.

18 2Q 2010 Board Report (PPLP004367018) at -034. *See also, e.g.*, 1Q 2010 QCR (PPLP004404102) at -104; 4Q 2010 QCR (PPLP004405709) at -711.

19 2Q 2011 Board Report (PPLP004366913) at -915, -920, -940. *See also, e.g.*, 1Q 2011 QCR (PPLP004406032) at -034, -050; 2Q 2011 QCR (PPLP004406466) at -468; 3Q 2011 Board Report (PPLP004366871) at -896.

- **2012**: "[T]he Company continued to maintain a state of effective compliance"[20]
- **2013**: "There are no significant violations or gaps to report"[21]
- **2014**: "There have been no significant compliance issues in ... Full Year 2014"[22]
- **2015**: "There have been no significant compliance issues"[23]
- **2016**: "In 2016, there were no significant compliance issues"[24]
- **2017**: "No significant compliance issues to report"[25]

14. California either knew that the foregoing allegations of deceit in CA AG FAC ¶¶8, 31, 101, 191, 231 and 246 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

15. **"Downplay Addiction."** The Proof of Claim and Supplement incorporate California's allegations in CA AG FAC ¶192 that "[t]he Sacklers made decisions that caused Purdue to downplay the addictive nature of their opioids." There is no evidentiary support for this allegation. California did not produce or identify any documents responsive to Request No. 23 of the California RFPs seeking documents supporting the allegations in ¶192. Nor is there

---

[20] 4Q 2012 QCR (PPLP004409357) at -363. *See also, e.g.*, 1Q 2012 QCR (PPLP004407950); 3Q 2012 QCR (PPLP004408439) at -449; 4Q 2012 QCR (PPLP004409357) at -363.

[21] 3Q 2013 QCR (PPLP004410506) at -507 (also reporting that: "The Company continues to have good systems and processes in place committed to the prevention and detection of violations, with continuous attention to improvement"). *See also, e.g.*, 1Q 2013 Board Report (PPLP004367540) at -591; 1Q 2013 QCR (PPLP004409694) at -695; 2Q 2013 Board Report (PPLPC012000433388) at -436; 3Q 2013 Board Report (PPLPC002000186911) at -956; 4Q 2013 QCR (PPLP004410797) at -798; 4Q 2013 Board Report (PPLPC002000181035) at -073.

[22] 4Q 2014 QCR (PPLP004411811) at -812. *See also, e.g.*, 1Q 2014 QCR (PPLP004411166) at -167; 2Q 2014 QCR (PPLP004411277) at -278.

[23] 1Q 2015 QCR (PPLP004412071) at -072. *See also, e.g.*, 2Q 2015 QCR (PPLP004412152) at -153; 3Q 2015 QCR (PPLP004412546) at -547; 4Q 2015 QCR (PPLPC063000018836) at -837.

[24] March 2017 QCR (PPLP004413913) at -917. *See also, e.g.*, 8/25/16 QCR (PPLPUCC003271544) at -545.

[25] June 2017 QCR (PPLP004414244) at -245. *See also* March 2018 QCR (PPLP004414931) at -932.

any evidence that Beverly, David, Jonathan or Richard Sackler—much less Marianna—made decisions as to the content of Purdue's marketing, or what sales representatives said to health care providers ("**HCPs**"), during the Relevant Period. California either knew that the allegations of ¶192 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

16. **"Messaging."** The Proof of Claim and Supplement incorporate California's allegations in CA AG FAC ¶202 that "[t]he Sackler Board Members directed the sales representative messaging [.]" There is no evidentiary support for the allegations of ¶202. There is no evidence that the PPI Board members directed sales representative messaging or had any role in drafting or approving the content of what sales representatives said, were authorized to say or prohibited from saying during the Relevant Period. There is no evidence that any of them directed sales representatives to do anything, much less misrepresent or deceive, during the Relevant Period. Nor did California produce or identify any documents responsive to Request No. 26 of the California RFPs seeking documents supporting the allegations of ¶202. California either knew that the allegations of ¶202 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

17. **"Susceptible Doctors."** The Proof of Claim and Supplement incorporate California's allegations in CA AG FAC ¶203 that "staff told the Sackler Board Members … that the best way to address" risks to Purdue's business "was to continue to send sales representatives to detail prescribers, in particular by targeting the most susceptible doctors." There is no evidentiary support for this allegation. CA AG ¶203 quotes from, but does not cite, text about risks to Purdue's business that appears in monthly flash reports that management sent

to the Board in 2014.[26] None of the flash reports suggested targeting the most susceptible doctors. California did not produce or identify any documents responsive to Request No. 27 of the California RFPs seeking documents supporting the allegation in ¶203 concerning targeting the most susceptible doctors. California either knew that this allegation lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC.

18. **"Directed Marketing."** The Proof of Claim and Supplement incorporate California's allegations in CA AG FAC ¶208 that "Richard Sackler directed many of Purdue's marketing messages, initiatives, and strategies." There is no evidentiary support for this allegation during the Relevant Period. There is no evidence that Richard Sackler participated in the drafting or approval of marketing messages, or played any role in what sales representatives said, were authorized to say or prohibited from saying, during the Relevant Period. There is no evidence that Richard Sackler directed sales representatives to convey any message, much less misrepresent or deceive anyone. Nor did California produce or identify any documents responsive to Request No. 28 of the California RFPs seeking documents supporting this allegation. California either knew that this allegation in ¶208 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

II. CONNECTICUT

19. The complaint that Connecticut incorporated in the Proof of Claim and identified in its Supplement (Ex. B) is the Second Amended Complaint filed in *State of Connecticut v. Purdue Pharma L.P.*, No. X07 HHD-CV-19-6105325-S (Conn. Super. Ct. July 1, 2019) ("**CT**

[26] *See* 10/15/14 September Flash Report (PPLPC016000259607) at slide 7; 7/1/14 June Flash Report (PPLPC016000244173) at slide 5; 8/5/14 July Flash Report (PPLPC016000250753) at slide 6; 9/5/14 August Flash Report (PPLPC016000254916) at slide 6.

AG SAC"). Connecticut thereby presented to this Court numerous factual contentions utterly lacking evidentiary support in violation of Rule 9011(b). Connecticut's inclusion of the following allegations violated Rule 9011(b)(3).

20. **12-Hour Dosing.** The Proof of Claim and Supplement incorporate Connecticut's allegation in CT AG SAC ¶79 that Purdue—under the direction of the Sackler Family Members on the PPI Board (¶¶7, 113, 132)—"falsely marketed" OxyContin as providing "12-hour relief." There is no evidentiary support for this allegation, and Connecticut knew that when it presented this allegation to this Court. Connecticut knew, first, that it had petitioned the FDA with respect to the dosing of OxyContin, that the FDA had rejected its petition, and that, when the FDA rejected the petition, the FDA expressly concluded that "12-hour dosing interval would be expected to be optimal for most patients" (FDA Docket No. FDA-2004-P-0294). Second, Connecticut knew that Purdue was forbidden—under its Consent Judgment *with Connecticut*—from "market[ing] or promot[ing] OxyContin in a manner that is, directly or indirectly, inconsistent with the 'Indication and Usage' section" of the FDA-approved label (Conn. Consent Judgment ¶V(2)), which directs prescribers to "maintain[] an every-twelve-hour dosing regimen" and not to "chang[e] the 12-hour dosing interval."[27] Third, when it presented this allegation to this Court, Connecticut knew—or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement—that federal law obligated Purdue to market OxyContin consistently with the FDA-approved label.[28]

21. **Allegations of Knowing Participation in Deception**. The POC and Supplement

---

[27] *See, e.g.*, 2010 FDA-Approved OxyContin Label, https://www.accessdata.fda.gov/drugsatfda_docs/label/2010/022272s006lbl.pdf at §§2.2, 2.6; *see also* 2018 Label, https://www.accessdata.fda.gov/drugsatfda_docs/label/2018/022272s039lbl.pdf at §2.1 ("OXYCONTIN is administered orally every 12 hours.").

[28] *See* 21 C.F.R. §201.100(d)(1), 21 U.S.C. § 321(m), and 21 C.F.R. §202.1(l)(2).

incorporate Connecticut's allegations that Beverly, David, Jonathan and Richard Sackler engaged in, and were complicit with others in engaging in, deceptive marketing and violations of law. These include:

- **CT AG SAC ¶7**: The Sacklers "directed deceptive sales and marketing practices and unfair trade practices sending hundreds of orders to executives and line employees."

- **CT AG SAC ¶113**: "The Sacklers were directly involved in developing and approved Purdue's deceptive and illegal activities in Connecticut, and they each participated in the decisions to mislead Connecticut prescribers, and patients to generate a huge financial windfall for themselves."

22. There is no evidentiary support for these allegations. Notably, Connecticut did not produce or identify any documents responsive to any of the following requests in the Raymond Sackler Family's First Requests for the Production of Documents to the State of Connecticut served June 4, 2021 ("**Connecticut RFPs**"):

- Request No. 18 seeking "[a]ll documents supporting Your allegation in ¶113 of the CT AG SAC that [from May 1, 2007 to the present] '[t]he Sacklers were directly involved in developing and approved Purdue's deceptive and illegal activities in Connecticut.'"

- Request No. 19 seeking "[a]ll documents (1) supporting Your allegation in ¶113 of the CT AG SAC that [from May 1, 2007 to the present] '[t]he Sacklers … each participated in the decisions to mislead Connecticut prescribers, and patients to generate a huge financial windfall for themselves.'"

23. The foregoing allegations in CT AG SAC ¶¶7 and 113 are utterly lacking in evidentiary support. There is no evidence that Beverly, David, Jonathan or Richard Sackler had any involvement in the drafting or approval of the content of marketing material or what sales representatives said, were authorized to say or prohibited from saying during the Relevant Period. As members of the PPI Board during the Relevant Period, Beverly, David, Jonathan and Richard Sackler received extensive reports from Purdue management, the OIG, the IRO, and outside counsel documenting that Purdue's opioid marketing was being conducted in compliance

with Purdue's Corporate Integrity Agreement and with law, that compliance controls were consistent with industry practice and requirements established in recent CIAs between pharmaceutical manufacturers and OIG, and that compliance was a top priority of management. *See* ¶13, pp. 6-10, *supra*. All of these reports are contained in the discovery that was available to Connecticut when it presented to this Court the factual contentions utterly lacking evidentiary support in CT AG SAC ¶¶7 and 113. Connecticut either knew that its allegations of deceit in CT AG SAC ¶¶7 and 113 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

24. **"Keep[ing] Region Zero Prescribers A Secret**." The Proof of Claim and Supplement incorporate Connecticut's allegation in CT AG SAC ¶89 that "[t]he Defendants decided to keep Region Zero prescribers a secret." There is no evidentiary support for this allegation. The CT AG SAC does not identify any evidentiary support for its claim that Beverly, David, Jonathan or Richard Sackler ever "decided to keep Region Zero prescribers a secret," and Region Zero prescribers were not in fact kept a secret. The discovery available to Connecticut when it included this allegation in its POC and Supplement shows that Purdue willingly shared information about Region Zero prescribers with authorities. Under the 2007 Consent Judgments that Purdue entered into with 26 states—including Connecticut—and the District of Columbia, for the first three years following the Consent Judgments Purdue furnished to the Consent Judgment States "a report containing basic statistics on Purdue's Abuse and Diversion Detection Program, including … statistics on the number of reports, the number of investigations, and a summary of the results, including the number of 'Do Not Call' [*i.e.*, Region Zero]

determinations" (Conn. Consent Judgment ¶23(e))[29] As mandated by the Consent Judgments—including the Consent Judgment *with Connecticut* (*id*.)—the information provided did "not include the names of any specific Health Care Professionals." But the names of specific HCPs was available to all Consent Judgment States—including Connecticut—on request.[30] And names were in fact supplied to State AGs when they requested it.[31] The evidence that Connecticut has ignored or disregarded includes the following:

- Between 2002 and 2018, Purdue referred at least 222 Region Zero prescribers to the DEA, including 82 in April 2011 alone.[32]
- In 2013, Purdue furnished the names of Region Zero HCPs in Pennsylvania, New Jersey, and Delaware to the U.S. Attorney for the Eastern District of Pennsylvania.[33]
- In 2014, Purdue twice provided Region Zero information to the U.S. Senate Caucus on International Narcotics Control.[34]
- Between 2013 and 2015, Purdue supplied the names of 774 Region Zero prescribers to 25 regulators in 17 states, as follows:

---

29 *See also, e.g.*, May 7, 2008 Letter from Purdue Counsel to Ohio AG attaching Certification of Compliance (PPLPC026000041921); May 7, 2009 Letter from Purdue Counsel to Ohio AG attaching Certification of Compliance (PWG004407107); May 7, 2010 Letter from Purdue Counsel to Ohio AG attaching Certification of Compliance (PPLPC026000064681).

30 *See* Conn. Consent Judgment ¶23(f) ("[U]pon written request, the Attorney General may obtain state-specific information as described in subsection (e).").

31 *See, e.g.*, May 18, 2009 Purdue Letter to Virginia AG (PPLPC051000075710); October 10, 2013 Purdue Letter to Tennessee AG (PPLPC049000079234).

32 *See* Apr. 12, 2011 email from Jack Crowley describing meeting with DEA (PPLPC053000051168) at -170. Jack Crowley, Purdue's Executive Director of Controlled Substance Act Compliance and a 28-year veteran of the DEA, also routinely made informal referrals to the DEA. *See* Jan. 10, 2019 Deposition Transcript of Crowley at 42:8-10, 287:23-25, *In re Nat'l Prescription Opiate Litig.*, No. 17-md-2804, ECF No. 1976-8 (N.D. Ohio).

33 Sept. 13, 2013 Letter to Eastern District of Pennsylvania AUSA (PPLPC049000079240).

34 Jan. 7, 2014 Letter to Senators (PPLPC049000103061); Mar. 12, 2014 Letter to Senators (PPLPC049000103152).

State or State Agency	Date	# of HCPs Disclosed	Source
1. Alabama State Board of Medical Examiners	3/11/14	23	PPLP004437472
2. Arizona Board of Osteopathic Examiners in Medicine and Surgery	2/28/14	11	PPLP004437482
3. California Board of Podiatric Medicine	9/26/13	1	PPLPUCC9011507904
4. California Board of Registered Nursing	9/25/13	3	PPLP004437542
5. California Dental Board	9/12/13	1	PPLPC051000189775
6. California Medical Board	9/11/13	49	PPLPC049000079268
	9/25/13	113	PPLPC051000189745
7. California Osteopathic Medical Board	9/25/13	13	PPLPC051000189739
8. California Physician Assistant Board	9/26/13	9	PPLPUCC9011507902
9. Georgia Composite Medical Board	2/27/14	66	PPLP004437620
10. Illinois Department of Financial and Professional Regulation	2/12/14	34	PPLP004437654
11. Kansas State Board of Healing Hearts	3/4/14	9	PPLP004437673
12. Nevada State Board of Medical Examiners	8/27/13	35	PPLPC049000076533
	8/11/15	7	PPLPUCC9011512808
	5/17/16	6	PPLPUCC9011562267
13. Nevada State Board of Osteopathic Medicine	9/26/13	6	PPLPUCC9011507906
14. Nevada State Board of Pharmacy	9/3/13	1	PPLPC049000079271
15. New Jersey Office of Attorney General	11/8/13	45	PPLP004437814
16. North Dakota State Board of Medical Examiners	3/7/14	2	PPLP004437795
17. Oregon Medical Board	5/20/14	19	PPLPUCC9011455002
18. Pennsylvania Department of State, Bureau of Professional/Occupational Affairs	2/28/14	98	PPLP004437994
19. Rhode Island Board of Medical Licensure & Discipline	3/11/14	16	PPLP004438019

State or State Agency	Date	# of HCPs Disclosed	Source
20. Tennessee Office of Attorney General	10/15/13	75	PPLP004438085
21. Virginia Department of Health Professions	2/19/14	64	PPLP004438105
22. West Virginia Board of Medicine	2/27/14	25	PPLP004438134
23. West Virginia Board of Osteopathic Medicine	2/27/14	7	PPLP004438138
24. Wisconsin Department of Safety & Professional Services	2/25/14	33	PPLP004438118
	4/4/14	N/A	PPLPUCC9011483548
	4/28/14	N/A	PPLP004438113
25. Wyoming Board of Medicine	2/26/14	3	PPLP004438157
TOTAL		**774**	

25. There is no evidentiary support for the allegation in CT AG SAC ¶89 that Beverly, David, Jonathan or Richard Sackler "decided to keep Region Zero prescribers a secret." Connecticut either knew that this allegation lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

26. **Outside Directors**. The Proof of Claim and Supplement incorporates Connecticut's allegation in CT AG SAC ¶132 that the outside directors on the PPI Board "voted with the Sacklers on every one of the hundreds of votes that came before them during their respective Board tenures." Connecticut did not produce or identify any documents responsive to Request No. 21 of the Connecticut RFPs seeking documents supporting this allegation, and the record reflects that there is no evidentiary support for this allegation. By way of example only, outside directors did not vote with some or all of the Sackler directors on the following questions:

- A 2014 Board vote on the acquisition of Rye Pharmaceuticals, on which outside directors Costa, Pickett and Snyderman voted yes (while Jonathan Sackler voted no), and outside director Peter Boer voted no (while Mortimer, Theresa, David and Richard Sackler voted yes) (PPLPBN-00002063 at -2090).

- A 2013 vote on strategy for hiring a new vice president of marketing, on which outside directors Boer, Costa and Snyderman voted no while Jonathan, Raymond and Beverly Sackler voted yes (PPLPBN-00001561 at -1575).

- A 2016 Board vote on a transaction with Exicure, on which outside director Costa voted yes (while Richard, Theresa, and Mortimer Sackler voted no), and outside director Pickett voted yes (while David and Jonathan Sackler voted no) (PPLPBN-00002815 at -2834).

27. Connecticut's allegation in CT AG SAC ¶132 that the outside directors on the PPI Board "voted with the Sacklers on every one of the hundreds of votes that came before them during their respective Board tenures" is utterly lacking evidentiary support.

III. MARYLAND

28. The complaint that Maryland incorporated in the POC and its Supplement (Ex. C) is the Amended Statement of Charges in *Consumer Protection Division v. Purdue Pharma, L.P., et al.*, CPD No. 19-023-311366; OAH No. OAG-CPD-4-19-23474 (OAG Cons. Prot. Div. May 29, 2019) ("**MD AG SOC**"). Maryland thereby presented to this Court numerous factual contentions utterly lacking evidentiary support in violation of Rule 9011(b). Its inclusion of the following allegations in the POC and its Supplement violated Rule 9011(b)(3).

29. **Chronic Pain.** The Proof of Claim and Supplement incorporate Maryland's allegation in MD AG SOC ¶81 that, "[d]espite Purdue's representations to the contrary"—allegedly made at the direction of the Sackler Family Members on the PPI Board (*see, e.g.*, ¶¶65, 67)—"there has never been any reliable evidence that opioids are safe and effective for the treatment of chronic pain." There is no evidentiary support for this allegation. First, Maryland knew—or would have known, had it conducted a reasonable investigation before filing the POC and its Supplement—that the FDA approved OxyContin for chronic pain—specifically for "[m]anagement of moderate to severe pain when a continuous, around-the-clock opioid analgesic

is needed for an extended period of time."[35] Second, Maryland knew—or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement—that in 2013 the FDA *rejected* a petition that sought to limit the "long-term use" of OxyContin for "chronic non-cancer pain," reaffirming the FDA's determination that OxyContin is safe and effective for chronic pain.[36] Third, Maryland knew that Purdue was forbidden—under its Consent Judgment *with Maryland*—from "promot[ing] or market[ing] OxyContin in a manner that ... avoids or minimizes that OxyContin is indicated for moderate to severe pain when a continuous around-the-clock analgesic is needed for an extended period of time" or was otherwise "directly or indirectly inconsistent with the 'Indication and Usage' section of the Package Insert [*i.e.*, label] for OxyContin...."[37] Fourth, when it presented this allegation to this Court, Maryland knew—or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement—that federal law obligated Purdue to market OxyContin consistently with the FDA-approved label.[38]

30. **Allegations of Participation, Direction and Deception**. The POC and Supplement incorporate Maryland's allegations that David, Jonathan and Richard Sackler engaged in, and were complicit with others in engaging in, deceptive marketing and violations of law. These include:

- **MD AG SOC ¶62**: "[T]he Sackler Respondents … each knowingly ... participated in ... the unlawful conduct of Purdue."
- **MD AG SOC ¶65**: "The Sackler Respondents were chief architects … of Purdue's

---

35 *See, e.g.*, 2010 FDA-Approved OxyContin Label, https://www.accessdata.fda.gov/drugsatfda_docs/label/2010/022272s006lbl.pdf.

36 FDA Docket No. FDA-2012-P-0818.

37 Md. Consent Judgment ¶3.

38 *See* 21 C.F.R. §201.100(d)(1), 21 U.S.C. § 321(m), and 21 C.F.R. §202.1(l)(2).

false marketing and deception...."

- **MD AG SOC ¶67**: "The Sackler Respondents controlled and directed all of the misconduct described herein...."
- **MD AG SOC ¶128**: "At the Sackler Respondents' direction, Purdue ... failed to warn that higher doses carry heightened risk of addiction."
- **MD AG SOC § III.B (page 35)**: "The Sackler Respondents Directed Purdue to Falsely Market Extended-Release Drugs as Safer and More Effective than Regular-Release Drugs."
- **MD AG SOC § III.C (page 41)**: "The Sackler Respondents Directed Purdue to Falsely Claim Low Addiction Risk, and Market Opioids to Patients for Whom Opioids Were Unnecessary, Inappropriate, Ineffective, and Dangerous."
- **MD AG SOC § III.D (page 49)**: "At the Sackler Respondents' Direction, Purdue Falsely Marketed Progressively Higher Doses."
- **MD AG SOC § III.K (page 87)**: "The Sackler Respondents ... Directed Purdue's Unlawful Conduct."

31. There is no evidentiary support for any of these allegations at any point during the Relevant Period. There is no evidence that David, Jonathan or Richard Sackler "participated in," "directed," or were in any sense "architects" of Purdue marketing during the Relevant Period. There is no evidence that they "supervised sales representatives' communications with healthcare providers" or "managed Purdue's focus on encouraging patients to use higher and higher doses of opioids" during the Relevant Period. There is no evidence that any of them had any role in directing, drafting or approving the content of marketing material or what sales representatives said, were authorized to say or prohibited from saying. There is no evidence that any of them directed sales representatives to do anything, much less misrepresent or deceive. The discovery available to Maryland when it presented these allegations shows without contradiction that, during the Relevant Period, the PPI Board, including David, Jonathan and Richard Sackler, received extensive reports from Purdue management, the OIG, the IRO, and outside counsel documenting that Purdue's opioid marketing was being conducted

in compliance with the CIA and with law, that compliance controls were consistent with industry practice and requirements established in recent CIAs between pharmaceutical manufacturers and OIG, and that compliance was a top priority of management. *See* ¶13, pp. 6-10, *supra*. All of these reports are contained in the discovery that was available to Maryland when it presented to this Court the unsupported factual contentions in ¶¶62, 65, 67, and 128, and §§III.B (p. 35), III.C (p. 41), III.D (p. 49), and III.K (p. 87).

32. Notably:

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation in MD AG SOC ¶62 in response to Request No. 20 of the Raymond Sackler Family's First Requests for the Production of Documents to the State of Maryland served June 4, 2021 ("**MD RFPs**") seeking "[a]ll documents supporting Your allegation in ¶62 of the MD AG SOC that Sackler Families 'each knowingly aided [and] participated in ... the unlawful conduct of Purdue.'"

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation in MD AG SOC ¶65 in response to Request No. 21 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation in ¶65 of the MD AG SOC that Sackler Families 'were chief architects ... of Purdue's false marketing and deception.'"

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation in MD AG SOC ¶67 in response to Request No. 23 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation in ¶67 of the MD AG SOC that Sackler Families 'controlled and directed all of the misconduct' alleged in the MD AG SOC."

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation in MD AG SOC ¶128 in response to Request No. 27 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation in ¶128 of the MD AG SOC that '[a]t the Sackler [Family's] direction, Purdue encouraged doctors to prescribe high doses and failed to warn that higher doses carry heightened risk of addiction.'"

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation on page 35 (§ III.B) of the MD AG SOC in response to Request No. 24 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation on page 35 of the MD AG SOC that Sackler Families 'Directed Purdue to Falsely Market Extended-Release Drugs as Safer and More Effective than Regular-Release Drugs.'"

- Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegation on page 41 (§ III.C) of the MD AG SOC in response to Request No. 25 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation on page 41 of the MD AG SOC that Sackler Families 'Directed Purdue to Falsely Claim Low Addiction Risk, and Market Opioids to Patients for Whom Opioids Were Unnecessary, Inappropriate, Ineffective, and Dangerous.'"

- Maryland did not produce or identify any documents that provide evidentiary support for its allegation in ¶232 of the MD AG SOC that the Sackler Families "participated in the unfair and deceptive trade practices engaged in by Purdue" in response to Request No. 31 of the Maryland RFPs seeking all documents supporting that allegation.

33. The foregoing allegations in ¶¶62, 65, 67, 128, and 222, and §§III.B (p. 35), III.C (p. 41), III.D (p. 49), and III.K (p. 87) are utterly lacking in support. When it presented these factual contentions to this Court, Maryland either knew that they lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

34. **Suspicious Order Reporting**. The Proof of Claim and Supplement incorporate Maryland's allegation in MD AG SOC ¶65 that members of the Sackler Families "were chief architects ... of Purdue's ... failure to report suspicious orders." There is no evidentiary support for this allegation. The MD AG SOC does not cite or identify any evidentiary support for it, and Maryland did not produce or identify any documents that provide evidentiary support for this allegation in MD AG SOC ¶65 in response to Request No. 22 seeking "[a]ll documents supporting Your allegation in ¶65 of the MD AG SOC that Sackler Families 'were chief architects ... of Purdue's ... failure to report suspicious orders,' including all communications from the PPI Board or the Sackler Families directing any Purdue employee to fail to report any orders known or believed by that employee to be 'suspicious.'" The evidence available to Maryland when it made this allegation establishes that Purdue had in place an Abuse and Diversion Detection Program ("**ADD Program**"), a Suspicious Order Monitoring Program and

an Order Monitoring System—and there is no evidence that David, Jonathan or Richard Sackler did anything to discourage or impede Purdue's implementation and execution of these programs.

35. The evidence that Maryland ignored or disregarded when it presented to this Court the foregoing allegation in ¶65 shows without contradiction that, during the Relevant Period, in their role as Board members, David, Jonathan and Richard Sackler received extensive reports from Purdue management documenting that Purdue had robust anti-diversion programs in place, including that:

- Purdue was vigorously implementing and monitoring the ADD Program.[39]

[39] *See, e.g.*, Aug. 6, 2007 QCR (PPLP004399954) at -955-58, -968, -970) ("Purdue is in full compliance with AG Agreement" (Purdue's shorthand for the 27 Consent Judgments it entered in 2007), including establishment of ADD Program and timely certification of same; management handling 2 reported abuse/diversion matters pursuant to SOP 1.7.1 (ADD Program)/resolving 4 compliance inquiries regarding abuse/diversion/theft); Feb. 8, 2008 QCR (PPLPC019000195607) at slide 12 (Compliance Dept. resolution of 5 abuse/diversion inquiries); 1Q 2008 QCR (PPLP004401169) at -171 ("Abuse & Diversion Detection (ADD) training – current"), and -186-87 (Compliance Dept. resolution of 1 abuse/diversion incident); 2Q 2008 QCR (PPLP004401342) at -360-61 (Compliance Dept. resolution of 2 abuse/diversion incidents); 3Q 2008 QCR (PPLP004402032) at -049-50 (Compliance Dept. resolution of 3 abuse/diversion inquiries), and -086 (detailed graphic explaining multiple ways Purdue conducts Sales Force Monitoring, including through mandatory reporting of indications of abuse or diversion, review of Field Contact Reports, and call note keyword searches); 4Q 2008 QCR (PPLP004402205) at -224-25 (Compliance Dept. resolution of 4 abuse/diversion inquiries); 1Q 2009 QCR (PPLP004402651) at -670-71 (Compliance Dept. resolution of 3 abuse/diversion inquiries); 2Q 2009 QCR (PPLPC012000236639) at slides 18-19 (Compliance Dept. resolution of 2 abuse/diversion inquiries); 4Q 2009 QCR (PPLP004403707) at -720-21 (Compliance Dept. resolution of 3 abuse/diversion inquiries); 1Q 2010 QCR (PPLP004404102) at -114-15 (Compliance Dept. resolution of 5 abuse/diversion inquiries); 2Q 2010 QCR (PPLP004404551) at -566-67 (Compliance Dept. resolution of 4 abuse/diversion inquiries); 4Q 2010 QCR (PPLP004405709) at -718-19 (Compliance Dept. resolution of 3 abuse/diversion inquiries); 1Q 2011 QCR (PPLP004406032) at -041-42 (Compliance Dept. resolution of 1 abuse/diversion inquiry); 2Q 2011 QCR (PPLP004406466) at -480-81 (Compliance Dept. resolution of 1 abuse/diversion inquiry), and -486-90 (slide describing multiple methods of Sales Force Monitoring, followed by slides answering the question "How Does the Sales Monitoring 'System' Work in Practice?"); Attachment to Oct. 25, 2011 Exec. Comm. Notes Sent to Board (PURDUE-COR-00032186) at pp. 2-4, 11-13, 18 (defining diversion, Region 0 prescribers and the ADD Program, and presenting multiple charts reflecting substantial declines in diversion and prescriptions from Region 0 prescribers following introduction of abuse-deterrent formulation); 4Q 2011 QCR (PPLP004407554) at -567-68 (Compliance Dept. resolution of 4 abuse/diversion inquiries); Jul. 19, 2012 QCR

- All employees were trained on the ADD Program.[40]

- District Managers were monitoring sales representatives' detailing of prescribers and preparing written reports (Field Contact Reports or "**FCRs**") assessing the sales reps' fulfillment of their ADD Program obligations.[41]

- Management was analyzing FCRs and reporting to the Board the results of their analysis. [42]

(PPLPUCC9002892662) at slide 18 (Compliance Dept. resolution of 1 abuse/diversion inquiry); 4Q 2012 QCR (PPLP004409357) at -363-66 (Compliance Dept. resolution of 3 abuse/diversion inquiries); Mar. 2017 QCR (PPLP004413913) at -919-20 (describing enhanced monitoring and data mining of ADD Program); Jun. 2017 QCR (PPLP004414244) at -248 (enhancement of ADD Program in progress).

[40] *See, e.g.*, Feb. 8, 2008 QCR (PPLPC019000195607) at slide 3 ("Purdue in compliance with AG Agreements ... Abuse & Diversion Detection (ADD) training - current"); 1Q 2008 QCR (PPLP004401169) at -171 ("Purdue in compliance with AG Agreements[.] Abuse & Diversion Detection (ADD) training - current"); Oct. 15, 2008 Board Report (PPLP004367232) at -258 ("On September 26th, The Annual Report for First Reporting Period was submitted [to OIG], including ... Certification of all compliance training"); 4Q 2008 QCR (PPLP004402205) at -226 ("National Sales Meeting[.] Well-received compliance workshops for all field personnel: Focused on ... Abuse & Diversion Detection (ADD) Program reporting requirements"); 3Q 2009 QCR (PPLP004402982) at -986 ("Purdue is also in full compliance with its AG Agreements[.] Abuse & Diversion Detection (ADD) training - current"); 4Q 2009 QCR (PPLP004403707), at -715 ("Purdue's National Sales Meeting.... Scenario-based Workshops 'owned' by all the District Managers[.] Focused on ... Abuse and Diversion Reporting"); 3Q 2010 QCR (PPLP004405460) at -470-74 (extensive discussion of training on Purdue's Healthcare Law Compliance Policies, which require "Reports pursuant to ADD Program" (*see, e.g.*, Oct. 2007 Healthcare Law Compliance Policies (PCA000008811) at -849)); Jul. 19, 2012 QCR (PPLPUCC9002892662) at slide 10 ("Purdue committed to continue OxyContin Abuse and Diversion Detection Program.... Annual reminder and training to employees continues.").

[41] *See, e.g.*, Oct. 15, 2007 Board Report (PPLPC012000157402) at -460 ("With the Law Department, we trained all employees on the terms and obligations of the AG Agreements"); July 30, 2008 Sales Force SOP (PPLP003342665) at -689; IRO's Report on Promotional and Product Services Systems Engagement, Reporting Period 2 (PPLP004433812) at -834-38; Sept. 25, 2009 Second Annual Report under CIA (PPLPC063000000289); 1Q 2010 QCR (PPLP004404102) at -106; IRO's Report on Additional Promotional and Product Services Systems Assessment: Funding of Charitable Grants and Sponsorships, Reporting Period 3 (PPLP004434741) at -750-51; 2Q 2012 QCR (PPLPUCC9002892662) at slide 3; 2013 Sales Force SOP (PPLP003430093) at -131; 2016 Sales Force SOP Manual (PPLP003578668) at -717. *See also, e.g.*, 2Q 2009 QCR (PPLPC012000236639) at slide 3 (3 District Managers terminated for failing to monitor sales reps for sufficient number of days).

[42] *See, e.g.*, 2/8/08 QCR (PPLPC019000195607) at slide 6; 1Q 2008 QCR (PPLP004401169) at -174; 3Q 2008 QCR (PPLP004402032) at -039-40; 4Q 2008 QCR (PPLP004402205) at -215; 1Q 2009 QCR (PPLP004402651) at -663-64; 2Q 2009 QCR (PPLPC012000236639) at slide 10; 3Q 2009 QCR

- Compliance and Legal were monitoring sales representatives' sales call notes (which documented their interactions with health care providers) to ensure sales reps' adherence to the ADD Program. [43]

- In addition to the ADD Program, Purdue was vigorously addressing diversion by requiring field personnel to file Reports of Concern ("**ROCs**") reporting any alleged occurrences of misuse, abuse or diversion and then following up with field inquiries by management.[44]

(PPLP004402982) at -991; 4Q 2009 QCR (PPLP004403707) at -712; 1Q 2010 QCR (PPLP004404102) at -106; 2Q 2010 QCR (PPLP004404551) at -554; 3Q 2010 QCR (PPLP004405460) at 480-82; 4Q 2010 QCR (PPLP004405709) at -713; 1Q 2011 QCR (PPLP004406032) at -034, -036; 2Q 2011 QCR (PPLP004406466), at -469, -483, -484; 1Q 2013 QCR (PPLP004409694) at -696-97; 3Q 2013 QCR (PPLP004410506) at -512; 1Q 2014 QCR (PPLP004411166) at -173. In addition, the CIA required that the IRO review and report on District Managers' monitoring of sales reps' interactions with prescribers during the CIA's second and fourth reporting years (from 8/1/08-7/31/09 and 8/1/10-7/31/11). *See* CIA at §§III(D)(1)(b), III(D)(2), III(K) & Appendix B §§II(A)(7), II(B)(2). The IRO reviewed the monitoring system that Purdue put in place to assess compliance with the CIA. *See* IRO's Report on Promotional and Product Services Systems Engagement, Reporting Period 2 (PPLP004433812) at -815, -833, -836, -837, -890; IRO's Report on Promotional and Product Services Systems Engagement, Reporting Period 4 (PPLPC021000573227) at -245, -248, -249; IRO's Promotional and Product Services Transactions Engagement, Reporting Period 4 (PPLP004432560) at -604. The IRO's reports were forwarded to the OIG, as required by CIA § V(B)(5), and the OIG confirmed Purdue's compliance with the CIA. *See* Second OIG Certification (PPLP004250164); Fourth OIG Certification (PPLP004428603).

[43] *See* June 15, 2007 ADD SOP 1.7.1 (PPLP003429997); Sept. 2015 ADD SOP 1.7.1 (PPLP004035073); Aug. 2017 ADD SOP 1.7.1 (PPLPC016000316429).

[44] *See, e.g.*, Oct. 15, 2007 Board Report (PPLPC012000157402) at -437 ("46 field inquiries conducted [by Risk Management and Health Policy Dept.] in response to signals of abuse or diversion of OxyContin® as identified via review of ROCs, and RADARS® System data"); Jan. 15, 2008 Board Report (PPLP004367604) at -620 (Risk Management & Health Policy Dept. "Monitored Abuse and Diversion of PPLP Marketed Opioid Analgesics," reviewed "689 Reports of Concern (ROCs) regarding abuse and diversion of PPLP's marketed opioid analgesics" and conducted "21 field inquiries ... in response to signals of abuse or diversion of OxyContin® as identified via review of ROCs, and RADARS® System data"); Apr. 15, 2008 Board Report (PPLP004367134) at -149-50 (Risk Management & Health Policy Dept. "Monitored Abuse and Diversion of PPLP Marketed Opioid Analgesics," reviewed "853 ROCs regarding abuse and diversion of PPLP marketed opioid analgesics" and conducted "17 field inquiries ... in response to signals of abuse or diversion of OxyContin as identified via review of ROCs, and RADARS® System data"); July 15, 2008 Board Report (PPLP004367297) at -317 (Risk Management & Health Policy Dept. "Monitored Abuse and Diversion of PPLP Marketed Opioid Analgesics," reviewing "890 Reports of Concern (ROCs) regarding abuse and diversion of PPLP marketed opioid analgesics," conducting "25 field inquiries ... in response to signals of abuse or diversion of OxyContin® as identified via review of ROCs, and RADARS® System data"); Apr. 21, 2010 Board Report (PPLP004317547) at -564 (Risk Management and Health Policy

- Purdue was collaborating with wholesalers and national chains on order monitoring strategies.[45]

- Purdue's Order Monitoring System was a proactive program reducing the Company's risk.[46]

- Purdue's Suspicious Order Monitoring Committee was functioning well.[47]

- Purdue's ADD Program and other anti-diversion efforts were effective in reducing and preventing abuse and diversion.[48]

Dept. Involved in multiple "innovative programs that safeguard public health and address abuse and diversion of prescription medication"); 1Q 2013 QCR (PPLP004409694) at -698 ("'Priority Risks'" that Compliance was "[a]ddressing in 2013" include "Drug diversion issues at clinical trial sites").

[45] *See, e.g.*, July 25, 2013 Board Agenda (PPLP004409781) at -866 ("Collaboration on Order Monitoring Strategies ▪ Wholesalers ▪ National Chains").

[46] *See, e.g.*, Nov. 2011 Board Budget Presentation for 2012 (PPLPUCC003392177) at p. 400 ("Proactive Programs – Reducing Risks in 2011 and Beyond ... ▪ Order Monitoring Program (OMS)"). The Order Monitoring System and Abuse and Diversion Detection Program shared information, "[r]esult[ing] in more robust information to share with internal (e.g., Risk Management) and external (e.g., authorized distributors) partners." *See* July 21, 2010 Order Monitoring System ("OMS Program") Presentation to Corporate Compliance Council (PPLP004436879) at slide 6.

[47] *See, e.g.*, June 15, 2017, Board Agenda (Ethics and Compliance Update) (PPLPC018001437163) at -200.

[48] *See, e.g.*, Attachment to Oct. 25, 2011 Exec. Comm. Notes Sent to Board (PURDUE-COR-00032185) at slide 14 (graph entitled "ORF [OxyContin Reformulated] Drug diversion events decline by 50%"); Attachment to Oct. 25, 2011 Exec. Comm. Notes Sent to Board (PURDUE-COR-00032186) at slide 11 (graph entitled "Among Region 0 prescribers the volume decreased for all formulations" showing substantial decline following introduction of the abuse-deterrent formulation); June 12, 2012 Board Presentation (PPLPC057000011194) at slide 9 (graph entitled "Four Drug Abuse/Diversion National Surveillance Systems" showing substantial declines in abuse and diversion following introduction of abuse-deterrent formulation); Nov. 3, 2012 Presentation to Beneficiaries (PPLP004409088) at -195 (slide entitled "Summary from Ongoing ORF [OxyContin Reformulated] Epidemiology Studies" reporting that evidence supports reduced abuse (consistent trend across studies) and reduced diversion and doctor-shopping following introduction of abuse-deterrent formulation); Mar. 21, 2013 Board Agenda (PPLPC044000041897) at -964 (graph entitled "Drug Diversion/Law Enforcement Events in RADARS® System" showing substantial decline following introduction of abuse-deterrent formulation); *id.* at -961 (graph entitled "Abuse by Individuals Assessed for Substance Abuse Treatment" showing substantial decline following introduction of abuse-deterrent formulation); *id.* at -962 (graph entitled "Poison Center Data from National Poison Data System" showing substantial decline in abuse exposures following introduction of abuse-deterrent formulation); *id.* at -968 (slide entitled "Summary of Findings from Ongoing Epidemiology Studies" showing "Reduced diversion and 'doctor-shopping'" and "Reduced abuse relative to original OxyContin (consistent, durable)"

36. At the time it presented to this Court the foregoing allegation in ¶65, Maryland either knew that the allegation lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC.

37. **David Sackler.** The POC and Supplement incorporate Maryland's allegation in MD AG SOC ¶111 that "David Sackler was deeply involved in the development of Purdue's public messaging regarding the abuse-deterrent formulation of OxyContin that it launched in 2010." There is no evidentiary support for this allegation. In 2010, David Sackler had no role at Purdue at all. He was never an officer of PPI or PPLP, and he did not become a director of PPI until July 19, 2012. Nor did David Sackler ever have a role in drafting or approving the content of Purdue marketing material or "develop[ing] … Purdue's public messaging regarding the abuse-deterrent formulation of OxyContin." The MD AG SOC does not cite or identify any evidentiary support for this allegation, and Maryland did not produce or identify any documents that provide evidentiary support for this allegation in response to Request No. 26 of the Maryland RFPs seeking "[a]ll documents supporting Your allegation on ¶111 of the MD AG SOC that 'David Sackler was deeply involved in the development of Purdue's public messaging regarding the abuse-deterrent formulation of OxyContin that launched in 2010.'" When it presented this allegation to this Court, Maryland either knew that the allegation lacked

---

following introduction of abuse-deterrent formulation); July 25, 2013 Board Agenda (PPLP004409781) at -860 (slide entitled "Positive Impact of AD OxyContin" stating "Meaningful Reduction in Abuse – Especially Parenteral" following introduction of abuse-deterrent formulation); Nov. 16, 2013 Presentation to Beneficiaries (PPLPC051000193984) at -4069 (graph entitled "Change in Rates of Drug Diversion Events by Law Enforcement Agents" showing substantial decline following introduction of the abuse-deterrent formulation); *id.* at -4067 (table entitled "Reported abuse of OxyContin among abusers of any prescription opioid in the NAVIPPRO ASI-MV System (June 2009 – Dec 2012)" showing substantial decline in non-oral abuse of OxyContin following introduction of the abuse-deterrent formulation). *See also* Nov. 2011 Summary of Findings of Post-Marketing Epidemiology Study Program (PPLPC021000435532) at -585, Figure 11 ("OxyContin diversion cases over time from 1Q2002 to 2Q2011") showing substantial decline in OxyContin diversion following introduction of abuse-deterrent formulation).

evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

38. The Proof of Claim and Supplement incorporate Maryland's allegations in MD AG SOC ¶61 that David Sackler "served on the Business Development Committee of Rhodes and was intimately involved in overseeing and approving Rhodes' business activities." There is no evidentiary support for this allegation. David Sackler was never a director of any Rhodes entity, and he never served on any Committee of Rhodes. The MD AG SOC does not cite or identify any evidentiary support for this allegation. When it presented this allegation to this Court, Maryland either knew that this allegation against David Sackler in ¶61 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

39. ***Time* Magazine**. The Proof of Claim and Supplement incorporate Maryland's allegation in MD AG SOC ¶46 that, in 2001, Richard Sackler wrote about *Time* magazine's coverage of people who lost their lives to OxyContin that "the deaths were the fault of 'the drug addicts.'" There is no evidentiary support for this allegation. The MD AG SOC does not cite or identify any evidentiary support for this allegation, and Maryland did not produce or identify any documents that provide evidentiary support for it in response to Request No. 18 of the Maryland RFPs seeking all documents supporting this allegation. Notably, MD AG SOC ¶46 quotes certain other language from, but does not identify, a January 8, 2001 letter from Richard Sackler which concerns a 2001 *Time* magazine story (PDD1501720041). Nothing in that letter suggests that "deaths were the fault of 'the drug addicts.'" The word "death" does not appear in the letter, and the only reference to "drug addicts" is a statement that "we intend to stay the course and speak out for people in pain—who far outnumber the drug addicts abusing our product" (this

language is quoted in MD AG SOC ¶46). Maryland either knew that this allegation lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

40. **Ride-Along**. The Proof of Claim and Supplement incorporate Maryland's allegations in MD AG SOC ¶260 that "Richard Sackler indeed went into the field to promote opioids to doctors alongside a sales representative." There is no evidentiary support for this allegation. During the Relevant Period, Richard Sackler went on one ride-along with one sales representative in Fairfield County, Connecticut, in 2011 for the purpose of "observing calls with reps" (6/16/11 Chief Compliance Officer Bert Weinstein email (PPLPC012000329722)). There is no evidence that Richard Sackler said anything to any prescriber to promote opioids, and the OIG of HHS confirmed Purdue's compliance with its CIA for 2011. Maryland did not produce or identify any documents that provide evidentiary support for the foregoing allegations in ¶260 in response to Request No. 35 of the Maryland RFPs seeking all documents supporting this allegation. Maryland either knew that this allegation lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

IV. DISTRICT OF COLUMBIA

41. The complaint that the District of Columbia incorporated in the Proof of Claim and identified in its Supplement (Ex. D) is the complaint filed in *District of Columbia v. Purdue Pharma L.P.*, Civil Action No. 2019 CA 003680 B (D.C. Super. Ct. June 3, 2019) ("**DC AG Complaint**"). The District of Columbia thereby presented to this Court numerous factual contentions utterly lacking evidentiary support in violation of Rule 9011(b). Its inclusion of the following allegations in the POC and its Supplement violated Rule 9011(b)(3).

42. **Allegations of Knowing Deception**. The POC and Supplement incorporate allegations that Richard Sackler engaged in, and was complicit with others in engaging in,

deceptive marketing and violations of law. These include DC AG Complaint ¶47: "At all times material to this Complaint, R[ichard] Sackler … has formulated, directed, controlled, had the authority to control, participated in, or with knowledge approved of ... the unlawful acts and practices set forth in this complaint."

43. There is no evidentiary support for this allegation. Notably, the District of Columbia did not produce or identify any documents responsive to the following requests for production in the Raymond Sackler Family's First Requests for the Production of Documents to the District of Columbia served June 4, 2021 ("**DC RFPs**"):

- Request No. 15 seeking "[a]ll documents reflecting that any member of the Raymond Sackler Family [from May 1, 2007 to the present] approved any Purdue marketing that was false or deceptive."
- Request No. 16 seeking "[d]ocuments sufficient to identify all marketing by Purdue in the District of Columbia [from May 1, 2007 to the present] that You contend was deceptive and (1) You contend was approved by a member of the Raymond Sackler Family or (2) You contend a member of the Raymond Sackler Family knew was false or deceptive—and all documents showing such approval and knowledge."

44. The foregoing allegations in DC AG Complaint ¶47 are utterly lacking evidentiary support for the allegations, and the discovery available to the District of Columbia at the time it presented this allegation to the Court refutes it. There is no evidence that Richard Sackler formulated, directed, controlled, participated in, or with knowledge approved of any unlawful acts or practices during the Relevant Period. There is no evidence that he had any role in drafting or approving the content of marketing material or what sales representatives said, were authorized to say or prohibited from saying, during the Relevant Period. There is no evidence that he was aware of, much less "with knowledge approved," any allegedly unlawful acts or practices of Purdue during the Relevant Period.

45. The discovery available to the District of Columbia when it presented this allegation to this Court shows without contradiction that, during the Relevant Period, the PPI

Board, including Richard Sackler, received extensive reports from Purdue management, the OIG, the IRO, and outside counsel documenting that Purdue's opioid marketing was being conducted in compliance with Purdue's Corporate Integrity Agreement and with law, that compliance controls were consistent with industry practice and requirements established in recent CIAs between pharmaceutical manufacturers and OIG, and that compliance was a top priority of management. *See* ¶13, pp. 6-10, *supra*. All of these reports are contained in the discovery that was available to the District of Columbia when it presented to this Court the unsupported factual contention in DC AG Complaint ¶47. The District of Columbia either knew that its allegation of deceit in DC AG Complaint ¶47 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

V. RHODE ISLAND

46. The complaint that Rhode Island incorporated in the POC and identified in its Supplement (Ex. E) is the amended complaint filed in *State of Rhode Island v. Purdue Pharma L.P.*, C.A. No. PC-2018-4555 (R.I. Super. Ct., Nov. 19, 2018) ("**RI AG AC**"). Rhode Island thereby presented to this Court numerous factual contentions utterly lacking evidentiary support in violation of Rule 9011(b). Its inclusion of the following allegations in its POC and Supplement violated Rule 9011(b)(3).

47. **Allegations of Knowing Deception**. The Proof of Claim and Supplement incorporate Rhode Island's allegations that Richard Sackler engaged in, and was complicit with others engaging in, deceptive marketing and violations of law. These include:

- **RI AG AC ¶48**: Richard Sackler "personally directed Purdue to conduct the deceptive or unfair acts or practices alleged herein...."

48. There is no evidentiary support this allegation at any point during the Relevant Period. Notably, Rhode Island did not produce or identify any documents responsive to the

following requests for production in the Raymond Sackler Family's First Requests for the Production of Documents to the State of Rhode Island served June 4, 2021 ("**RI RFPs**"):

- Request No. 14 seeking "[a]ll documents reflecting that any member of the Raymond Sackler Family [from May 1, 2007 to the present] directed any Purdue employee to market Prescription Opioids in a way that was false or deceptive."

- Request No. 15 seeking "[a]ll documents reflecting that any member of the Raymond Sackler Family [from May 1, 2007 to the present] approved any Purdue marketing that was false or deceptive."

- Request No. 16 seeking "[d]ocuments sufficient to identify all marketing by Purdue in Rhode Island [from May 1, 2007 to the present] that You contend was deceptive and (1) You contend was approved by a member of the Raymond Sackler Family or (2) You contend a member of the Raymond Sackler Family knew was false or deceptive—and all documents showing such approval and knowledge."

- Request No. 18 seeking "[a]ll documents supporting Your allegation in ¶48 of the RI AG First Complaint that Richard Sackler 'personally directed Purdue to conduct the deceptive or practices alleged [in the RI AG First Complaint] that took place and caused harm in Rhode Island.'"

- Request No. 19 seeking "[a]ll documents supporting Your allegation on page 54 of the RI AG [Complaint] that, throughout the relevant period, Richard Sackler 'approved Purdue's deceptive marketing.'"

- Request No. 20 seeking "[a]ll documents supporting Your allegation in ¶154 of the RI AG First Complaint that Richard Sackler 'was aware of specific examples of deceptive marketing through receipt of call note reviews in his capacity as a board member, in 2010 and 2011.'"

49. The foregoing allegations in ¶48 are utterly lacking in evidentiary support, and the discovery available to Rhode Island at the time it presented these allegations to the Court refutes them. There is no evidence Richard Sackler "directed" any Purdue marketing during the Relevant Period. There is no evidence that he directed sales representatives to do anything, much less misrepresent or deceive. There is no evidence he had any role in directing, drafting or approving the content of marketing material or what sales representatives said, were authorized to say or prohibited from saying. The discovery available to Rhode Island when it presented these allegations shows that, during the Relevant Period, the PPI Board, including Richard Sackler,

received extensive reports from Purdue management, the OIG, the IRO, and outside counsel documenting that Purdue's opioid marketing was being conducted in compliance with Purdue's CIA and with law, that compliance controls were consistent with industry practice and requirements established in recent CIAs between pharmaceutical manufacturers and OIG, and that compliance was a top priority of management. *See* ¶13, pp. 6-10, *supra*. All of these reports are contained in the discovery that was available to Rhode Island when it presented to this Court the unsupported allegations in RI AG AC ¶48. Rhode Island either knew that its allegations of direction in RI AG AC ¶48 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

50. **Rhodes**. The POC and Supplement incorporate Rhode Island's allegations in RI AG AC ¶30 that Richard Sackler was "a board member of ... Rhodes Technologies;" in ¶48 that Richard Sackler "direct[ed] the operations of Defendant Rhodes;" and in ¶153 that he was "a member of the boards of relevant ... Rhodes entities." There is no evidentiary support for any of these allegations. Richard Sackler was never a director of any Rhodes entity, and there is no evidence he had any role in the "operations of ... Rhodes," let alone "direct[ed]" them. Rhode Island either knew that these allegations in ¶¶30, 48 and 153 lacked evidentiary support or would have known, had it conducted a reasonable inquiry before filing the POC and its Supplement.

Dated: July 15, 2021
New York, New York

Respectfully submitted,

/s/ Gerard Uzzi

Gerard Uzzi, Esq.
Alexander B. Lees, Esq.
MILBANK LLP
55 Hudson Yards
New York, New York 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

/s/ Gregory P. Joseph

Gregory P. Joseph, Esq.
Mara Leventhal, Esq.
JOSEPH HAGE AARONSON LLC
485 Lexington Avenue, 30th Floor
New York, New York 10017
Telephone: (212) 407-1200
Facsimile: (212) 407-1280

Counsel for the Raymond Sackler Family

Exhibit A

MMLID: 10439873
State of California and the People of the State of California

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
PURDUE PHARMA L.P., *et al.*,	**Case No. 19-23649 (RDD)**
Debtors.	**(Jointly Administered)**

Governmental Opioid Claimant Proof of Claim Form

You may file your claim electronically at PurduePharmaClaims.com via the link entitled "Submit a Claim."

For questions regarding this Proof of Claim Form, please call Prime Clerk at (844) 217-0912 or visit PurduePharmaClaims.com.

Read the instructions at the end of this document before filling out this form. This form is for governmental units and Native American Tribes to assert a general unsecured claim against the Debtors based on or involving opioids or their production, marketing and sale, including without limitation, the Debtors' production, marketing and sale of Purdue Opioids.

Do not use this form to assert any other pre-petition claims, including secured claims or claims entitled to priority under 11 U.S.C. § 507(a). Secured claims, claims entitled to priority under 11 U.S.C. § 507(a) and non-opioid related claims should be filed on a Non-Opioid Claimant Proof of Claim (Form 410).

Creditor (also referred to as "You" throughout) shall provide information responsive to the questions set forth below. Instructions and Definitions are provided at the end of this document. You shall provide information reasonably available to You and are not excused from providing the requested information for failure to appropriately investigate Your claim. Creditor shall supplement its responses if it learns that they are incomplete or incorrect in any material respect.

For Part 3, governmental units that have filed litigation against the Debtor(s) that is part of the federal multidistrict litigation in Ohio, *In re National Opiate Litigation*, MDL No. 17-02804 (N.D. Ohio 2017) ("Ohio MDL"), and have submitted a Government Plaintiff Fact Sheet in connection with that proceeding, may rely on their Government Plaintiff Fact Sheet to complete the questions in Part 3. For the avoidance of doubt, only governmental units who have filed litigation that is part of the Ohio MDL, and not governmental units that are part of the negotiation class in the Ohio MDL but have not otherwise filed litigation that is part of the MDL, may rely on their Government Plaintiff Fact Sheet to complete the questions in Part 3.

You must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, including the supporting documentation requested herein. **Do not send original documents** as they will not be returned, and they may be destroyed after scanning.

Fill in all the information about the claim as of September 15, 2019, the Petition Date. You may also fill in information regarding any claims You believe You may have after September 15, 2019 on this form. This form should be completed to the best of Your ability with the information available to You. If You are unable to answer certain questions at this time, the absence of an answer, by itself, will not result in the denial of Your claim, though You may be asked or required to provide additional information at a later date. You may also amend or supplement Your claim after it is filed.

Part 1: Identify the Claim

1. Who is the current creditor?

The States, Territories, and other jurisdictions listed on Schedule 1 (collectively, the "Claimants").

Name of the entity to be paid for this claim.

Other names the creditor used with the Debtor(s): _____

2. Has this claim been acquired from someone else or some other entity?

■ No.

❑ Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
See question 6.	
Name	Name
Number Street	Number Street
City State ZIP Code	City State ZIP Code
Contact phone	Contact phone
Contact email	Contact email

4. **Does this claim amend one already filed?**
- ■ No.
- ❑ Yes. Claim number on court claims registry (if known)_____ Filed on _____ MM / DD / YYYY

5. **Do You know if anyone else has filed a proof of claim for this claim?**
- ■ No.
- ❑ Yes. Who made the earlier filing? _____

Part 2: Attorney Information (Optional)

6. **Are you represented by an attorney in this matter?**

You do not need an attorney to file this form.

- ❑ No.
- ■ Yes. If yes, please provide the following information:

The Hon. Melanie Cyganowski (Ret.)
Counsel to the Ad Hoc Committee of
Governmental and Other Contingent Litigation Claimants
Otterbourg P.C.
230 Park Avenue
New York, New York 10169
(212) 905-3677
mcyganowski@otterbourg.com

Andrew M. Troop
Counsel to the Ad Hoc Group
of Non-Consenting States
Pillsbury Winthrop Shaw Pittman LLP
31 W. 52nd Street
New York, New York 10019
(212) 858-1660
andrew.troop@pillsburylaw.com

See Schedule 10 for each Claimant's respective attorney(s) in this matter.

Part 3: Information as of September 15, 2019, the Petition Date, About Your Claim

7. **When do You allege you were first injured as a result of the Debtors' alleged conduct?**

05 / 1987
Month Year

- ❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, *In re National Opiate Litigation*, MDL No. 17-02804 (N.D. Ohio 2017) ("Ohio MDL"), and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.
- ❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

8. **How much is the claim?**

$ $2.156 trillion (unliquidated); see Attachment ; or

- ❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.
- ❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.
- ❑ Unknown.

9. **Describe the citizens and entities that You represent in this claim:**

The States, Territories, and other jurisdictions, and the citizens, residents and governmental entities of the States, Territories, and other jurisdictions, listed on Schedule 1.

- ❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.
- ❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

10. **Describe the conduct of the Debtors You allege resulted in injury or damages to You.**

Attach additional sheets if necessary.

See the Attachment, schedule 10, and the complaints filed by the Claimants against the Debtors (which are also referenced in schedule 10).

❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.

❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

11. **Describe all alleged causes of action, sources of damages, legal theories of recovery, etc. that You are asserting against the Debtors.**

Attach additional sheets if necessary.

See the Attachment, schedule 10, and the complaints filed by the Claimants against the Debtors (which are also referenced in schedule 10). For the avoidance of doubt, the complaints should be referenced for the claims, legal theories, and causes of action of each Claimant (to the extent not otherwise included in the Attachment), and damage amounts included in the complaints supplement (but do not supersede) the amount set forth above or in the Attachment.

❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.

❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

12. **Based on information reasonably available to You, please identify each category of damages or monetary relief that You allege, and include the amount of damages you assert for each category, if known.**

Attach additional sheets if necessary.

See Attachment, schedule 10, and the complaints filed by the Claimants against the Debtors (which are also referenced in schedule 10). For the avoidance of doubt, the complaints should be referenced for the claims, legal theories, and causes of action of each Claimant (to the extent not otherwise included in the Attachment), and damage amounts included in the complaints supplement (but do not supersede) the amount set forth above or in the Attachment. Further, the amount set forth above (and in the Attachment) does not include claims for penalties, forfeitures, or other penal remedies and other civil or compensatory relief to which the Claimaints may be entitled, including, but not limited to, civil penalties, disgorgement, restitution, attorneys fees and costs, investigation costs, or costs of programmatic equitable relief, all of which are asserted by each Claimant in their maximum allowable amount. This claim also asserts claims of all other creditors to which the Claimants are, by statute or common law, subrogated regardless of whether they later become allowed claims. The amount of these claims is not included here and can only be set once the claims are allowed.

❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.

❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

13. **Based on information reasonably available to You, provide the total number of opioid-related overdose deaths of Your residents each year for the later of (i) 2008, or (ii) the date on which the period for which You are seeking damages begins.**

Year	Total number of opioid related overdose deaths, if available
See schedule 13.	Schedule 13 includes data for the total number of opioid-related
	overdose deaths from 1999 though 2018. The Claimants reserve
	the right to amend or supplement the data in schedule 13,
	including by adding data for 1987 through 1998.

❑ If You believe that this question has been answered in the Government Plaintiff Fact Sheet submitted in the Ohio MDL, and You wish to rely on Your statements made in the Government Plaintiff Fact Sheet to answer this question, check this box.

❑ If You believe that this question has been answered in a complaint that you have filed against the Debtor(s), and You wish to rely on Your statements made in that complaint to answer this question, check this box.

Part 4: Supporting Documentation

14. **Please provide the following supporting documentation if you would like (but You are not required) to supplement this proof of claim.**

❑ Provide any documents supporting Your claim, including but not limited to: any Plaintiff Fact Sheets and accompanying documents submitted in the MDL proceeding in the Northern District of Ohio; any complaint, petition, information, or similar pleading filed in any civil or criminal proceeding involving the Debtors; and any records supporting Your claim for damages.

❑ In lieu of uploading or resubmitting the Government Plaintiff Fact Sheet that was submitted in the Ohio MDL, the creditor authorizes the Debtors to make the Government Plaintiff Fact Sheet, submitted on _____ in the Ohio MDL, available to Prime Clerk, the Court, and any party who agrees to be bound by the Protective Order to be submitted for entry by the Court for use in connection with this proof of claim and these chapter 11 cases.

❑ In lieu of uploading or submitting the complaint filed against the Debtor(s), the creditors authorize the Debtors to make the complaints set forth on the schedules accompanying this claim available to Prime Clerk, the Court, and any party who agrees to be bound by the Protective Order to be submitted for entry by the Court for use in connection with this proof of claim and these chapter 11 cases.

Part 5: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ■ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 07/30/2020 (mm/dd/yyyy)

Melanie Cyganowski /AVA — Andrew M. Troop /AVA

Signature — Signature

Print the name of the person who is completing and signing this claim:

Names	The Hon. Melanie Cyganowski (Ret.)	Andrew M. Troop
Titles	Counsel to the Ad Hoc Committee of Governmental and Other Contingent Litigation Claimants	Counsel to the Ad Hoc Group of Non-Consenting States
Companies	Otterbourg P.C.	Pillsbury Winthrop Shaw Pittman LLP
Addresses	230 Park Avenue New York, New York 10169	31 W. 52nd Street New York, New York 10019

The signatures of the representatives of the governmental entities filing this claim are set forth on the page for the respective governmental entity in Schedule 10. The reasonable belief representation for each signatory in Schedule 10 applies only to the information relating to the aggregate claim and to the jurisdiction the governmental entity represents in filing this claim.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
PURDUE PHARMA L.P., *et al.*,[1]	)	Case No. 19-23649 (RDD)
Debtors.	)	(Jointly Administered)

ATTACHMENT TO CONSOLIDATED PROOF OF CLAIM OF STATES, TERRITORIES AND OTHER GOVERNMENTAL ENTITIES

I. INTRODUCTION

1. This Attachment, the preceding Governmental Opioid Proof of Claim form and all associated schedules are an integral part of, and an integrated set of documents, constituting the proof of claim being filed by the States, Territories and other governmental entities identified on Schedule 1 (collectively, the "Claimants") in these cases. All these documents collectively constitute the proof(s) of claim for the Claimants and are sometimes referred to collectively as the "Consolidated Claim" or the "Proof of Claim." Definitions, reservations, descriptions, authorizations or statements in any one document or schedule apply to all documents and schedules.

2. The Claimants' claims are unliquidated and are asserted in an estimated amount of $2.156 trillion as described on the Consolidated Claim Information Sheet, plus the amount of the

[1] The debtors in these chapter 11 cases (the "Debtors" or "Purdue"), along with the last four digits of their federal tax identification numbers, are Purdue Pharma Manufacturing L.P. (3821), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies K.P. (1868), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (6166), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717), and SVC Pharma Inc. (4014). The Debtors' principal offices are at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

unliquidated claims of a Claimant's political subdivisions and residents in those jurisdictions in which such claims may be asserted by each Claimant (the "Claim Amount").[2]

II. RELEVANT BACKGROUND AS TO THE CONSOLIDATED CLAIM[3]

A. Purdue's Businesses

3. The Debtors are drug companies founded and owned by members of the Sackler family. The Debtors make up only a part of the entities owned by members of the Sackler family, including other drug companies that have contributed to the world-wide opioid crisis.

4. Purdue Pharma Inc., a New York corporation, is the general partner of Purdue Pharma L.P. Until 2018, members of the Sackler family held a majority of the seats on Purdue Pharma Inc.'s board of directors (the "Board"). The Sackler family members have now resigned from the Board in the face of an ever-increasing number of lawsuits suing them individually, but only after handpicking their replacements.

B. Purdue's Manufacturing and Aggressive Marketing of OxyContin

5. Since the 1980s, Purdue's primary business has been the manufacture, promotion, and distribution of opioids nationwide.[4] During that time, Purdue engaged in deceptive practices that caused a national tragedy. Indeed, without evidence or support (and contrary to known facts), Purdue marketed, promoted, and mischaracterized OxyContin as "less addictive, less subject to abuse and diversion, and less likely to cause tolerance and withdrawal than other pain

---

2 The Claim Amount does not include unliquidated amounts based on each Claimant's Additional Theories (defined below).

3 The facts set forth herein are upon information and belief and based upon publicly available information, including the allegations set forth in the States' lawsuits against Purdue. Copies of the States' complaints against Purdue are available at https://www.mass.gov/lists/state-lawsuits-against-purdue-pharma.

4 In or around May 1987, Purdue began to market and sell MS Contin, a continuous release formulation of the opioid, morphine sulphate. And, in or around December 1994, Purdue submitted a New Drug Application (the "NDA") for OxyContin to the U.S. Food & Drug Administration (the "FDA"). See Agreed Statement of Facts, at ¶ 13 (The Agreed Statement of Facts was entered in United States v. Purdue Frederick Co., No. 07CR00029 (W.D. Va.), as part of the settlement with the U.S. government (the "Plea Agreement") and is available at https://www.documentcloud.org/documents/279028-purdue-guilty-plea.

medications." *Agreed Statement of Facts* at ¶ 20. It made similar claims with respect to other opioids it marketed and sold across the United States. To broadcast this misstatement, Purdue employed a large staff of sales representatives, and issued false marketing materials, which misrepresented OxyContin's benefits, and downplayed its risks, thereby encouraging the drug's use for less acute, longer-lasting pain, including arthritis, back pain, sports injuries, and fibromyalgia. OxyContin became the best-selling opioid in the nation. It has been estimated that approximately 80% of heroin abusers started down the path of addiction and abuse through the use of prescription opioids.[5]

C. The 2007 Guilty Plea in Connection with the Release and Marketing of OxyContin

6. In 2007, the Purdue Frederick Company pleaded guilty to a felony charge and three of its executives pleaded guilty to misdemeanor charges for intentionally promoting false or misleading information about OxyContin.[6]

7. As part of the Plea Agreement, Purdue Pharma L.P. entered into a Corporate Integrity Agreement (the "CIA"), which, in relevant part, required the appointment of a compliance officer to serve as a member of Purdue's senior management and make periodic compliance reports directly to Purdue's Board. The Plea Agreement explicitly required the Board itself to comply with the rules prohibiting the misbranding of the company's products, undergo training to ensure that the rules were understood, and report any subsequent violations.

8. In 2007, certain Purdue entities also entered into consent judgments (collectively, the "Consent Judgments") with twenty-five States and the District of Columbia.[7] As a part of

---

5 National Institute on Drug Abuse, "Prescription opioid use is a risk factor for heroin use National Institute on Drug Abuse" (2018), https://www.drugabuse.gov/publications/research-reports/prescription-opioids-heroin/prescription-opioid-use-risk-factor-heroin-use (last visited July 27, 2020).

6 Notwithstanding the guilty pleas, Purdue subsequently paid bonuses totaling $8 million to two of the three executives. The company's earlier wrongdoing is described in the Agreed Statement of Facts.

7 The 2007 Consent Judgments were with Arizona, Arkansas, California, Connecticut, the District of Columbia, Idaho, Illinois, Louisiana, Maine, Maryland, Massachusetts, Montana, Nebraska, Nevada, New Mexico, North

many of the Consent Judgments, Purdue Pharma, Inc., Purdue Pharma L.P., and the Purdue Frederick Company affirmatively agreed to cease false, deceptive, or misleading marketing. Certain of those judgments also required that Purdue monitor abuse and diversion information and, in some cases, report its findings to the authorities.

D. Post-2007 Conduct

9. Neither the CIA nor the Consent Judgments, however, deterred Purdue (or the Sacklers). Purdue not only continued its deceptive scheme to misrepresent OxyContin's addictive properties and dangers; it also worked shamelessly to increase the frequency, dosage, and time period for OxyContin prescriptions to achieve greater profits from branded and unbranded product.[8] To be clear, Purdue's unlawful conduct continues to this day in the form of continued sales based on the deceptive and unfair marketing Purdue engaged in for over a decade.

10. The Centers for Disease Control and Prevention has declared opioid abuse to be a "public health epidemic." Between 1999 and 2016, more than 200,000 people in the United States died from overdoses directly related to prescription opioids, with recent estimates suggesting that more than 130 people in the United States die from opioid overdoses ***every day***.[9]

11. Based on this conduct, Claimants have asserted and by this proof of claim are asserting claims against the Debtors for all claims, costs and damages based on or involving opioids or their production, marketing and sale, including without limitation, the Debtors' production, marketing and sale of Purdue opioids. They also assert, where authorized, the claims for damages incurred by their political subdivisions and residents for damages arising from this

---

Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, and Wisconsin.

[8] Additional relevant facts are detailed in the complaints filed by the States, available at https://www.mass.gov/lists/state-lawsuits-against-purdue-pharma, and summarized below.

[9] *See* https://www.hhs.gov/opioids/about-the-epidemic/index.html (last visited Jul. 15, 2020)

conduct. Finally, they assert entitlement to civil penalties, restitution, and disgorgement, as variously authorized by their laws.

12. The crux of the Claimants' claims is that the Debtors engaged in deceptive marketing and promotion aimed at increasing the market for all opioids generally and boosting sales of OxyContin and the Debtors' other opioid products in particular. This marketing and promotion effort had the effect of increasing opioid usage, addiction to all forms of opioids and deaths generally and the costs incurred and to be incurred by the States as a result. Without limiting the foregoing, the Claimants' claims include claims for violations of consumer protection laws, public nuisance, fraud, negligence, negligence *per se*, elder abuse, violations of racketeering and other statutes, lost revenue, past and future costs and expenses, unliquidated claims based on non-Medicaid population, abatement, fraudulent conveyances or transfers, taxes, fines, penalties, forfeitures, and other penal claims, statutory civil penalties, disgorgement, restitution, mandatory and prohibitory injunctive relief under their respective consumer protection laws, and violations or enforcement of police powers. This Consolidated Claim also asserts claims of all other creditors to which the States are by statute or common law subrogated or granted authorization to pursue regardless of whether they later become allowed claims. The amount of these claims is not included here and can only be set once they are otherwise allowed. Each of the foregoing theories for the Claimants' claims comprise the "Collective Theories."

13. For additional theories asserted by individual Claimants ("Additional Theories"), refer to each Claimant's respective supplement in Schedule 10 (collectively, the "Supplements"). For further details, refer to each Claimant's Supplement and the lawsuit(s) identified therein. The complaints filed in each Claimant's lawsuit(s) and all allegations and prayers for relief set forth in those complaints are incorporated into this Consolidated Claim as if fully set forth herein.

III. RESERVATION OF RIGHTS

14. This Proof of Claim is filed pursuant to the order entered by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") in these chapter 11 cases establishing July 30, 2020 as the deadline for filing proofs of claim (the "Bar Date"). *See* Docket Nos. 800 and 1221. Nothing in this Proof of Claim shall constitute an express or implied waiver of the sovereignty of any governmental unit[10] that may be a member of the Ad Hoc Committee of Governmental and Other Contingent Litigation Claimants, the Ad Hoc Group of Non-Consenting States, or any governmental unit that has authorized the filing of, and is deemed to have filed, a proof of claim through joining the Consolidated Claim.

15. Each Claimant reserves its rights to amend, modify, and/or supplement any of the claims set forth in this Proof of Claim, including its schedules or exhibits, at any time, including after the Bar Date, in any manner, including but not limited to: (i) supplement or amend this Proof of Claim or any related documents and other information, and to describe further the claims asserted herein; (ii) assert any and all additional amounts that are due, may be due, or will become due by any of the Debtors including, without limitation, amounts owed both before and after the date of the commencement of the Debtors' bankruptcy cases that remain outstanding in an undetermined amount, or are otherwise unmatured, unliquidated and/or contingent as of the date hereof; and (iii) fix and liquidate the amount of unmatured, contingent, and unliquidated claims. Each Claimant expressly reserves the right to attach, produce, and/or rely upon additional documentation or other evidence that supports its claims, including any additional documents or other evidence that may become available after further investigation or discovery. Among other

[10] As used in this Proof of claim, governmental unit has the meaning ascribed to it in 11 U.S.C. §101(27).

reasons, amendment may be required as Claimants continue to assess their losses caused by the Debtors.

16. Each Claimant expressly reserves all its defenses and rights, procedural and substantive, and shall not be deemed to have waived or released any claim by virtue of it not being liquidated or fixed on the Consolidated Claim Summary Information Sheet.

17. Each Claimant does not waive, and expressly reserves, any right of action that it has or may have against the Debtors, or any other entity or person. Any such claims may, without limitation, be the subject of other proofs of claim filed in these cases and the execution and filing of this Proof of Claim shall not limit or affect any other claim of any Claimant. Each Claimant expressly reserves the right to file other proofs of claim, notwithstanding the filing of this Proof of Claim.

18. Each Claimant preserves and does not waive any rights to seek additional amounts that are due, may be due, or will become due, including, without limitation, the rights: (i) to file additional proofs of claim at any time; and (ii) to file proofs of claim against third parties, including, without limitation, any entity or person. If the Bankruptcy Court enters an order, which effectively subordinates Claimants' claims, Claimants' rights to file additional proofs of claim or amended proofs of claim against the Debtors are reserved.

19. This Proof of Claim is submitted without prejudice and in addition to any other claims of each Claimant that have been listed in any of the Debtors' schedules or may become listed in any of the Debtors' schedules. In addition, each Claimant: (i) reserves the right to pursue claims (including but not limited to the claims described herein) against any of the Debtors based upon additional or alternative legal theories; (ii) reserves the right to file additional or other pleadings to assert any of the amounts set forth in this Proof of Claim or any amendments thereto;

and (iii) reserves the right to assert, if applicable, claims for post-petition administrative expenses pursuant to Bankruptcy Code sections 503 and 507. Nothing contained in this Proof of Claim shall limit the rights of any Claimant to file papers or pleadings, or commence any proceedings, or take any actions concerning its claims, liens or security interests.

20. Nothing in this Proof of Claim shall constitute a waiver or release of any rights, powers or remedies of any Claimant, including any rights: (i) against the Debtors; (ii) against any non-debtor affiliate or insider of the Debtors or person or entity associated with the Debtors or their affiliates or insiders; (iii) against any member of the Sackler family and any entity or person associated with a member of the Sackler family; (iv) against any other person, entity, or property, including but not limited to any entity that may have developed, designed, manufactured, marketed, promoted, stored, transported, disposed of, sold, supplied, and/or agreed to indemnify for losses related to, prescription opioid products, including but not limited to, all forms and versions of Purdue's morphine, oxycodone, hydrocodone, and buprenorphine products; (v) of setoff or recoupment; (vi) to contest the jurisdiction of the Bankruptcy Court with respect to the subject matter of the claim set forth herein, or any elements thereof, or any other proceedings commenced against or involving Claimant; (vii) to elect remedies or choice of law; (viii) to have final orders in non-core matters entered only after de novo review by a judge of the United States District Court; (ix) to trial by jury in any proceeding related to this proceeding; (x) to have the United States District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal; (xi) to the subordination, in favor of Claimant, of claims or liens held by creditors of the Debtors; (xii) to arbitration or other alternative dispute resolution mechanism; (xiii) to have any unliquidated portion of any claim determined by an applicable court other than the Bankruptcy Court; (xiv) to have claims cured if contracts are assumed, or to have claims

reinstated, pursuant to the Bankruptcy Code, the Debtors' plan of reorganization and/or any other liquidation or reorganization by the Debtors; (xv) to seek the reconsideration under section 502(j) of the Bankruptcy Code of any disallowance of any amount claimed under this Proof of Claim, whether liquidated or unliquidated or contingent or noncontingent; and (xvi) to seek relief from the Bankruptcy Court, or any other applicable court, with respect to the allowance, priority, estimation, or other treatment of Claimant's claims under the Bankruptcy Code.

21. The filing of this Proof of Claim is not intended to be and shall not be construed as: (i) a concession or admission by any Claimant of liability or facts with respect to any claims or alleged damages (or the amount thereof) that have been or may be asserted against any Claimant by any party, including, and not limited to, third parties; (ii) a waiver of any past, present or future default or event of default; (iii) a consent by any Claimant to the treatment of any non-core claim against it as a core claim; (iv) a consent by any Claimant to a jury trial in the Bankruptcy Court in any proceeding as to any and all matters triable herein, or related to the same, whether or not such matters are designated as core proceedings; (v) a consent by any Claimant to the jurisdiction or venue of the Bankruptcy Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving any Claimant; (vi) a waiver of sovereign immunity; and (vii) a consent to the final determination or adjudication of any claim or right pursuant to 28 U.S.C. § 157(c).

22. Subject to the limitations, descriptions, and reservations set forth herein, the Claimants agree to take their allocated share of the claims described in the Proof of Claim based on an agreement to be reached among them or as subsequently ordered by the Bankruptcy Court or other court of competent jurisdiction.

23. Successful objections to any one Claimant's claim will not impact any other Claimant's claims, which each Claimant is asserting in this Consolidated Claim individually.

Consolidated Claim Information Sheet

Cost of the Opioid Epidemic to the U.S. States & Territories
Including Disbursement of Federal Funds
(2020 USD billions)

		Total Historical Costs (2007-2019)	Net Present Value of Future Abatement Costs (2020-2040)			Total Historical and Future Costs (2007-2040)
			Continuation of Existing Programs	New Abatement Programs	Total Future Costs	
		[A]	[B]	[C]	[D]	[E]
Healthcare Costs						
Medicaid and State Employee*	[1]	$249	$301	$266	$568	$816
OUD Treatment (Non-Medicaid)	[2]	$64	$118		$118	$182
OUD Prevention	[3]	$5		$248	$248	$253
NAS (Medicaid)*	[4]	$7	$15	$11	$27	$34
Non-Healthcare Costs						
Criminal Justice*	[5]	$97	$104	$27	$131	$229
Child Welfare	[6]	$108	$164		$164	$272
ACEs Programs*	[7]			$78	$78	$78
Education	[8]	$24	$41		$41	$65
Income and Sales Tax	[9]	$75	$110		$110	$186
Other Abatement Strategies	[10]			$42	$42	$42
Total Costs	[11]	**$630**	**$854**	**$672**	**$1,526**	**$2,156**

Notes and Sources:

Calculations include the costs of the opioid epidemic borne by both states and the federal government (excluding costs borne by municipalities) unless otherwise noted. Table excludes costs borne by Kentucky prior to January 1, 2016 and Oklahoma. Categories marked with an asterisk (*) reflect known omissions and estimates have been increased to estimate omissions.

Consolidated Claim Information Sheet

Cost of the Opioid Epidemic to the U.S. States & Territories
Including Disbursement of Federal Funds
(2020 USD billions)

Columns [A]-[E]:

[A]: Historical costs incurred as a result of the opioid epidemic over the period 2007 - 2019. Healthcare costs are reported in 2020 dollars using the Personal consumption expenditures: Services: Health care Index. Non-healthcare costs are reported in 2020 dollars using the GDP deflator. Inflation data are from the Federal Reserve Bank of St. Louis.

[B]: Expected future costs over the period 2020-2040 as a result of the opioid epidemic based on a projection of the historical costs incurred. Future costs are discounted to 2020 at the average annual 10-year T-bill constant maturity rate over the period 1999-2019 (i.e., 3.54%). Future costs are based on the expected decline in the number of individuals with opioid use disorder ("OUD") based on the effectiveness of expected treatment and prevention programs. The historical OUD population for the period 2007-2017 are from the National Survey of Drug Use and Health ("NSDUH"). The future OUD population is projected using a Markov simulation model based on the framework developed by Pitt et al. (2018). *See* Pitt, Allison L., Keith Humphreys, and Margaret L. Brandeau. "Modeling health benefits and harms of public policy responses to the US opioid epidemic." *American Journal of Public Health 108* , no. 10 (2018): 1394-1400.

[C]: Expected future costs over the period 2020-2040 for new abatement programs instituted to combat the opioid epidemic. (Appendix available for a full list of abatement programs included.) Future costs are discounted to 2020 at the average annual 10-year T-bill constant maturity rate over the period 1999-2019 (i.e., 3.54%). Healthcare costs and Criminal Justice costs are inflated at the average annual inflation rate in personal healthcare services over the period 1999-2019 (i.e., 2.36%). Other Abatement Strategies are inflated at the average annual growth rate in the GDP deflator over the period Q3 1999 - Q3 2019 (i.e., 1.96%). Costs are adjusted for differences across states based on the 2016 Medicaid Physician Fee Index for Healthcare and Criminal Justice costs and 2019 Wage Index (based on mean hourly wage from the U.S. Bureau of Labor Statistics) for Other Abatement Strategies. New abatement programs are based on the first-year costs of programs from the Ruhm Report that are not covered by the forecast of continuing existing programs in column [B]. Specifically, Addiction Treatment Services and NAS Treatment Services from the Ruhm Report are excluded as continuation of existing programs. Costs assume that all states and territories will implement all programs listed in Appendix. Sources of funding may include some federal sources to the extent that they are captured as costs to the State of Oklahoma in the Ruhm Report. *See* Ruhm, Christopher J. "Costs to the State of Oklahoma of Abating the Opioid Crisis." December 21, 2018 and supplemented February 5, 2019.

[D]: [B] + [C].

[E]: [A] + [D]. Categories with asterisk increased by 5% - 25% to reflect known omissions.

Consolidated Claim Information Sheet

Cost of the Opioid Epidemic to the U.S. States & Territories
Including Disbursement of Federal Funds
(2020 USD billions)

Rows [1]-[11]:

[1]: Medicaid and State Employee costs include estimates of the excess healthcare costs associated with opioid use disorder (OUD) and opioid super users that are incurred by the state and federally-funded portions of Medicaid and state-funded health insurance for state employees. The OUD population is retrieved from NSDUH, which defines dependence or abuse of opioids (OUD) based on definitions found in the 4th edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV). Super users are defined as patients who do not have an OUD diagnosis but have opioid prescriptions covering at least 75% of the year. Super user prevalence is from Davenport et al. (2019a). Per patient excess OUD and super user costs are from Davenport et al. (2019b) and Florence (2016). State and federal funding for opioid-related substance use disorder treatment reported through SAMHSA is also included. Finally, costs also include opioid prescription costs funded through state worker's compensation programs as reported by documents directly provided by states. Davenport, Stoddard, Alexandra Weaver, and Matt Caverly. "Costs and comorbidities of opioid use disorder: The impact of opioid use disorder for patients with chronic medical conditions." Milliman White Paper (March 2019): 1-15 (Davenport et al., 2019a); Davenport, Stoddard, Alexandra Weaver, and Matt Caverly. "Economic Impact of Non-Medical Opioid Use in the United States, Annual Estimates and Projections for 2015 through 2019." Report prepared for the Society of Actuaries (October 2019): 1-93 (Davenport et al., 2019b); Florence, Curtis S., Chao Zhou, Feijun Luo, and Likang Xu. "The Economic Burden of Prescription Opioid Overdose, Abuse, and Dependence in the United States, 2013." *Medical Care* 54, no. 10 (2016): 901-906.

[2]: OUD Treatment Costs are calculated by estimating the share of Substance Use Disorder ("SUD") treatment expenditures funded by state and local mental health and substance use disorder agencies and federal funds other than Medicaid, such as grant programs administered by the Substance Abuse and Mental Health Services Administration ("SAMHSA"), that are attributable to opioid abuse. SUD treatment costs are obtained from SAMHSA's Behavioral Health Spending and Use Accounts. The opioid-attributable share of spending is calculated using the share of non-Medicaid admissions to substance abuse treatment facilities that are due to the abuse of opioids, which is obtained by SAMHSA's Treatment Episode Dataset ("TEDS"). *Substance Abuse and Mental Health Services Administration. Behavioral Health Spending & Use Accounts 2006—2015. HHS Pub. No. (SMA) 19-5095. Rockville, MD: Substance Abuse and Mental Health Services Administration; 2019. Substance Abuse and Mental Health Services Administration, Treatment Episode Data Set (TEDS): 2000–2017. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2019.*

[3]: Historical Prevention costs include federal and state spending estimated from documents provided by states and territories. Expected future OUD Prevention costs are captured under column [C] since many of the programs are anticipated to increase or scale up. (Please see the Appendix for the list of prevention programs included in expected future costs.)

[4]: Historical NAS costs include the healthcare cost attributable to the opioid epidemic of treating babies born with Neonatal Abstinence Syndrome ("NAS") for the first two years of life. Estimates represent Medicaid costs. Data on the incidence of NAS are from the Healthcare Cost and Utilization Projection ("HCUP"). The cost of treating NAS is from Strahan et al. (2020) adjusted for excess costs incurred after birth for the first two years of life. New Abatement programs include training of medical professionals, and screening and counselling for pregnant women. Strahan, Andrea E., Gery P. Guy, Michele Bohm, Meghan Frey, and Jean Y. Ko. "Neonatal Abstinence Syndrome Incidence and Health Care Costs in the United States, 2016." *JAMA Pediatrics* 174, no. 2 (2020): 200-202.

[5]: Historical Criminal Justice costs include the cost of policing, the judiciary, and incarceration that are attributable to the opioid epidemic. Total Criminal Justice costs are sourced from the Bureau of Justice Statistics ("BJS") and apportioned to opioids using data from the FBI Uniform Crime Report ("FBI UCR"), BJS (Bronson et al., 2017), the National Forensic Laboratory Information System ("NFLIS"), and NSDUH. This methodology follows prior research by Birnbaum et al. (2011) and Florence et al. (2016). Birnbaum, Howard G., Alan G. White, Matt Schiller, Tracy Waldman, Jody M. Cleveland, and Carl L. Roland. "Societal costs of prescription opioid abuse, dependence, and misuse in the United States." *Pain Medicine* 12, no. 4 (2011): 657-667; Bronson, Jennifer, Jessica Stroop, Stephanie Zimmer, and Marcus Berzofsky. "Drug Use, Dependence, and Abuse Among State Prisoners and Jail Inmates, 2007-2009." *U.S. Department of Justice, Bureau of Justice Statistics* Special Report NCJ 250546 (June 2017): 1-26.

[6]: Historical Child Welfare costs include the cost of Child Protective Services and foster care that are attributable to the opioid epidemic. Costs of the child welfare system are from Child Trend Reports published by the Annie E. Casey Foundation and the Urban Institute. The portion of costs attributable to the opioid epidemic are computed based on the econometric models from Ghertner et al. (2018). *See* Ghertner, Robin, Annette Waters, Laura Radel, and Gilbert Crouse. "The role of substance use in child welfare caseloads." *Children and Youth Services Review 9* 0 (2018): 83-93.

[7]: Program Costs Related to Adverse Childhood Experiences ("ACEs") prevention and treatment include the cost of screening, care management, initial treatment and young adult depression treatment. The costs associated with collaboration, planning, administration, provider training and public education are also included. Estimated costs incorporate a measure of states' likelihood of developing the various programs.

[8]: Total education expenses are from the Department of Education. The portion of costs that relate to substance abuse are from the National Center on Addiction and Substance Abuse. Substance abuse costs are apportioned to opioids using NSDUH. The percent of costs paid by Federal and State sources are from the US Census Bureau. National Center on Addiction and Substance Abuse (CASA). "Shoveling up II: The impact of substance abuse on federal, state and local budgets." (2009).

[9]: Income and Sales Tax costs include lost income tax and sales tax for the states and territories as a result of lower labor force participation resulting from opioid use, opioid related deaths and opioid related incarcerations. Estimates are based on the framework developed by Segel et al. (2019). *See* Segel, Joel E., Yunfeng Shi, John R. Moran, and Dennis Patrick Scanlon. "Opioid misuse, labor market outcomes, and means-tested public expenditures: a conceptual framework." *Am J Manag Care* 25 (2019): S270-S276. A multiplier of 2 was applied to lost income from labor force exits. Typically, a small portion of state sales tax is maintained by local governments. The muncipal portion has not been estimated.

Consolidated Claim Information Sheet

Cost of the Opioid Epidemic to the U.S. States & Territories
Including Disbursement of Federal Funds
(2020 USD billions)

---

[10]: Other Abatement Strategies include surveillance programs, such as Health Information Exchange, Program Management Monitoring/Evaluation, and Prescription Monitoring Program System/Upgrades. Cost estimates are based on the Ruhm Report and OUD population projections using the framework by Pitt et al. (2018).

[11]: Sum([1]-[10]).

SCHEDULE 1

CLAIMANTS

STATES (INCL. D.C.)

- Alabama
- Alaska
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland

(STATES Cont.)

- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- South Dakota
- Tennessee

- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

TERRITORIES

- American Samoa
- Guam
- Northern Mariana Islands
- Puerto Rico
- U.S. Virgin Islands

SCHEDULE 10

STATE/TERRITORY SUPPLEMENT CLAIMS

Schedule	Jurisdiction
10.1	Alabama
10.2	Alaska
10.3	Arizona
10.4	Arkansas
10.5	California
10.6	Colorado
10.7	Connecticut
10.8	Delaware
10.9	District of Columbia
10.10	Florida
10.11	Georgia
10.12	Hawaii
10.13	Idaho
10.14	Illinois
10.15	Indiana
10.16	Iowa
10.17	Kansas
10.18	Kentucky
10.19	Louisiana
10.20	Maine
10.21	Maryland

Schedule	Jurisdiction
10.22	Massachusetts
10.23	Michigan
10.24	Minnesota
10.25	Mississippi
10.26	Missouri
10.27	Montana
10.28	Nebraska
10.29	Nevada
10.30	New Hampshire
10.31	New Jersey
10.32	New Mexico
10.33	New York
10.34	North Carolina
10.35	North Dakota
10.36	Ohio
10.37	Reserved
10.38	Oregon
10.39	Pennsylvania
10.40	Rhode Island
10.41	South Carolina
10.42	South Dakota
10.43	Tennessee
10.44	Texas

Schedule	Jurisdiction
10.45	Utah
10.46	Vermont
10.47	Virginia
10.48	Washington
10.49	West Virginia
10.50	Wisconsin
10.51	Wyoming
10.52	American Samoa
10.53	Guam
10.54	Northern Mariana Islands
10.55	Puerto Rico
10.56	U.S. Virgin Islands

Schedule 10.5 - California

In re Purdue Pharma, L.P., et al.

United States Bankruptcy Court
Southern District of New York
Case No.: 19-23649 (RDD)

INDIVIDUAL STATE/TERRITORY SUPPLEMENT TO CONSOLIDATED CLAIM AND AUTHORIZATION FORM

The undersigned State/Territory of the United States of America (collectively, the "States and Territories") is a claimholder (the "Claimant") in the bankruptcy cases of *In re Purdue Pharma, L.P., et al.*, Case No. 19-23649 (RDD) (Bankr. S.D.N.Y.). Claimant hereby elects to schedule and file any and all claims it holds against the Debtors[1] as part of a consolidated claim of the States and Territories (the "Consolidated Claim"[2]), which is being filed in accordance with the Orders entered by the United States Bankruptcy Court for the Southern District of New York (the "Court") establishing the deadline and procedures for all persons and entities, including, without limitation, all governmental units, for filing proofs of claim against any of the Debtors (the "Bar Date Order")[3] [Dkt. Nos. 800, 1221].

The Consolidated Claim, including but not limited to the Collective Theories, the Claim Amount, all applicable information in the Consolidated Claim Summary Information Sheet, and any appendices thereto, as amended, modified and/or supplemented, is incorporated herein, and the Consolidated Claim and this Supplement will be treated as the Claimant's own Proof of Claim filed against each of the Debtors, and the Claimant agrees to be so bound for all Proof of Claim purposes. This Supplement shall be deemed incorporated into and made part of the Consolidated Claim, including any Additional Theories asserted in this Supplement.

The Claimant asserts all theories and causes of action identified in the Consolidated Claim and in the lawsuits identified by each Claimant in this Supplement, which are subject in all respects to the reservations set forth in the document titled "Attachment

[1] Purdue Pharma L.P., Purdue Pharma Inc., Purdue Transdermal Technologies L.P., Purdue Pharma Manufacturing L.P., Purdue Pharmaceuticals L.P., Imbrium Therapeutics L.P., Adlon Therapeutics L.P., Greenfield BioVentures L.P., Seven Seas Hill Corp., Ophir Green Corp., Purdue Pharma of Puerto Rico, Avrio Health L.P., Purdue Pharmaceutical Products L.P., Purdue Neuroscience Company, Nayatt Cove Lifescience Inc., Button Land L.P., Rhodes Associates L.P., Paul Land Inc., Quidnick Land L.P., Rhodes Pharmaceuticals L.P., Rhodes Technologies, UDF LP, SVC Pharma LP, SVC Pharma Inc. (collectively, the "Debtors").

[2] Capitalized terms used but not defined herein have the meanings given in the Attachment (defined below).

[3] On June 3, 2020, the Court entered an Order extending the general bar date from June 30, 2020 to July 30, 2020 at 5:00 p.m. (Eastern Time).

to Consolidated Proof of Claim of States, Territories and Other Governmental Entities" annexed to the Consolidated Claim (the "Attachment").

The Claimant hereby authorizes Melanie L. Cyganowski and Andrew M. Troop (the "Authorized Representatives") to submit the Consolidated Claim on Claimant's behalf and to receive notices in connection with this Supplement.

The below information is intended to supplement the information contained in the Consolidated Claim, which as stated above, Claimant is relying upon in making its claims, and to provide information specific to that of the Claimant.

Part 1: Identify the Claimant		
1. Name of Claimant.	Name: **State of California and the People of the State of California, by and through Attorney General Xavier Becerra, Claimant's Chief Law Officer**[4]	
2. Where should notices to the Claimant be sent?	Name: **Judith Fiorentini**	
	Address: **600 West Broadway, Suite 1800**	
	City: **San Diego**	State: **CA** ZIP Code: **92101**
	Contact phone: **(619) 738-9343**	
	Contact email: **judith.fiorentini@doj.ca.gov**	
3. Notice to the Authorized Representatives	Notices should also be sent to the Authorized Representatives.	

Part 2: Information Regarding Lawsuits Commenced by Claimant Against the Debtors	
4. The Claimant has commenced a	Case Name: **The People of the State of California v. Purdue Pharma L.P., et al.**

[4] This claim supplants and supersedes any other claims made by any party in the name of the People of the State of California or the State of California, or to obtain relief or remedies on behalf of the People, the State, or any agency thereof.

	lawsuit by filing the following complaint (the "Complaint") against the Debtors:	Case Number: **19STCV19045** Court Name: **Los Angeles Superior Court** Date the Complaint was filed: **June 3, 2019** Was the Complaint sealed at filing? **A redacted version was filed.** If so, does the Complaint remain under seal? **The publicly filed copy of the complaint is partially redacted.** Causes of action asserted in the Complaint: **1. Violations of California Civil Code section 3494** **2. Violations of California Business and Professions Code section 17200 et seq.** **3. Violations of California Business and Professions Code section 17500 et seq.**
5.	In addition to the causes of action set forth in the Complaint, the undersigned also identifies the following causes of action:	**1. Violations of California Government Code section 12650 et seq.** **2. Common law fraud.** **3. Unjust enrichment.**
6.	Supporting Documentation:	In lieu of uploading or submitting the Complaint, the Claimant authorizes the Debtors to make the Complaint available to Prime Clerk, the Court, and any party who agrees to be bound by the Protective Order entered in these chapter 11 cases.
7.	Claim Amount[5]	**$192,092,000,000**

[5] Plus unliquidated amounts for the Collective Theories set forth in the Attachment.

Part 3: Sign Below

4. The person completing this authorization form must sign and date it.

I have examined the information in the Consolidated Claim (excluding Supplements relating to other jurisdictions) and this Supplement, and I have a reasonable basis to believe and understand that the information is true and correct. By authorizing my electronic signature to be affixed below, I acknowledge that I am authorizing the Authorized Representatives to submit the Consolidated Claim and this Supplement on the Claimant's behalf. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 07/30/2020

By: */s/ Gayle Weller*

Gayle Weller
Associate Governmental Program Analyst
California Attorney General's Office
600 West Broadway, Suite 1800
San Diego, CA 92101
(619) 738-9310
Gayle.weller@doj.ca.gov

Schedule 13 - State Opioid Deaths by Year_Adjusted and Unadjusted 4844-9....xlsx
CDC Wonder Opioid Overdose Deaths by State, 1999-2018

	1999 Opioid Overdose Deaths		2000 Opioid Overdose Deaths		2001 Opioid Overdose Deaths		2002 Opioid Overdose Deaths		2003 Opioid Overdose Deaths		2004 Opioid Overdose Deaths		2005 Opioid Overdose Deaths	
	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted
ALABAMA	37	67	43	88	57	111	71	127	49	103	83	168	80	161
ALASKA	27	28	27	29	14	35	5	22	11	29	10	51	18	46
ARIZONA	229	299	235	320	265	341	320	400	340	435	344	459	375	473
ARKANSAS	28	41	20	38	30	61	90	104	89	107	127	154	123	155
CALIFORNIA	1474	1827	1012	1250	551	745	1453	1868	1398	1846	1413	1868	1372	1825
COLORADO	164	193	174	205	192	231	196	248	213	290	224	280	295	371
CONNECTICUT	151	201	165	232	149	217	172	255	167	224	193	246	163	212
DELAWARE	32	39	29	36	36	42	48	58	37	53	35	39	29	44
DISTRICT OF COLUMBIA	28	28	43	43	46	46	29	29	60	60	53	58	44	44
FLORIDA	402	552	556	714	846	1121	959	1326	1043	1407	1196	1582	1097	1538
GEORGIA	83	119	115	156	183	242	215	302	236	340	258	359	300	408
HAWAII	30	38	29	38	38	47	46	49	43	49	57	61	67	80
IDAHO	31	47	28	35	51	57	45	58	54	68	47	64	50	71
ILLINOIS	483	523	558	611	525	591	569	640	460	522	532	610	590	647
INDIANA	46	78	41	96	67	140	63	147	127	280	138	325	160	412
IOWA	14	16	19	22	27	28	37	38	38	40	61	66	67	72
KANSAS	25	34	22	28	47	68	80	107	75	99	116	145	106	146
KENTUCKY	52	101	92	151	144	232	177	302	234	404	221	377	285	476
LOUISIANA	28	69	52	116	81	149	95	222	121	291	144	353	172	409
MAINE	27	34	41	46	55	64	91	112	86	108	98	111	116	126
MARYLAND	487	530	481	518	489	534	543	607	558	636	486	509	495	508
MASSACHUSETTS	326	344	314	328	500	522	484	511	588	629	459	495	557	578
MICHIGAN	121	228	180	351	192	354	227	437	253	465	351	570	483	698
MINNESOTA	57	68	57	76	96	119	95	114	106	142	135	160	144	179
MISSISSIPPI	15	32	12	33	26	65	26	83	31	102	26	69	40	103
MISSOURI	100	120	131	158	132	169	189	254	271	344	275	336	302	377
MONTANA	16	23	11	23	20	39	20	41	41	67	45	85	45	77
NEBRASKA	5	8	16	22	32	38	25	34	14	24	26	33	43	63
NEVADA	153	161	178	183	182	187	220	225	244	251	275	283	323	331
NEW HAMPSHIRE	40	41	29	30	53	54	80	81	92	93	90	91	109	111
NEW JERSEY	323	402	350	462	397	517	486	605	445	544	312	416	435	553
NEW MEXICO	180	187	180	194	151	173	196	211	218	239	185	211	211	252
NEW YORK	621	659	494	530	611	698	555	601	576	631	479	504	562	599
NORTH CAROLINA	159	177	286	311	338	363	407	432	496	524	562	594	654	682
NORTH DAKOTA	5	5	5	5	5	5	14	14	5	5	13	13	5	5
OHIO	164	235	250	337	336	450	421	575	365	485	515	717	560	796
OREGON	120	141	106	120	147	166	193	218	209	249	225	250	267	285
PENNSYLVANIA	320	627	319	736	252	640	345	732	470	1005	475	1075	504	1147
RHODE ISLAND	35	36	57	58	78	80	72	73	99	104	75	80	112	116
SOUTH CAROLINA	48	64	87	126	83	130	81	114	92	139	128	209	149	237
SOUTH DAKOTA	5	5	5	5	5	5	12	12	5	5	20	25	22	26
TENNESSEE	89	127	100	162	136	201	167	252	294	388	379	486	447	562
TEXAS	351	497	379	513	561	736	739	904	791	952	814	980	872	1046
UTAH	141	145	156	159	157	162	203	223	258	274	264	279	326	356
VERMONT	15	17	22	23	31	31	36	36	45	46	37	37	37	38
VIRGINIA	201	222	250	265	312	325	352	370	362	380	390	409	363	383
WASHINGTON	353	366	353	363	324	340	455	462	471	482	575	587	603	628
WEST VIRGINIA	33	36	50	64	138	152	178	189	193	200	251	260	140	146
WISCONSIN	83	95	112	138	140	158	173	203	200	234	221	254	273	327
WYOMING	5	9	10	17	5	8	17	32	5	7	12	21	10	16

Sources and Notes:
Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999-2018 on CDC WONDER Online Database, released in 2020.
Ruhm, C. J. (2018). Corrected US opioid-involved drug poisoning deaths and mortality rates, 1999–2015. Addiction, 113(7), 1339-1344.

Adjusted opioid overdose deaths follow the imputation method described by Ruhm (2018) to account for under-reporting due to death certificates for drug poisonings sometimes not identifying the specific drugs that contributed to the death.
Ruhm's proposed adjustment solves the equation (Adjusted Opioid Overdose Deaths) = (Reported Opioid Overdose Deaths) / (1 - Share of Opioid Overdose Deaths with No Drug Specified on Death Certificate) by approximating the share of opioid overdose deaths with no drug specified with the share of overall overdose deaths with no drug specified .
Overdose deaths exclude alcohol.

Schedule 13 - State Opioid Deaths by Year_Adjusted and Unadjusted 4844-9....xlsx
CDC Wonder Opioid Overdose Deaths by State, 1999-2018

	2006 Opioid Overdose Deaths		2007 Opioid Overdose Deaths		2008 Opioid Overdose Deaths		2009 Opioid Overdose Deaths		2010 Opioid Overdose Deaths		2011 Opioid Overdose Deaths		2012 Opioid Overdose Deaths	
	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted
ALABAMA	124	257	165	347	185	398	206	467	187	392	176	412	165	398
ALASKA	29	52	15	47	88	96	90	95	62	64	66	76	81	90
ARIZONA	459	566	461	603	494	612	605	724	626	815	562	760	526	770
ARKANSAS	140	186	148	192	197	267	201	257	189	239	169	242	169	242
CALIFORNIA	1511	2043	1657	2314	1801	2535	1987	2666	1929	2595	1938	2658	1719	2379
COLORADO	326	406	353	471	355	495	397	564	304	439	418	605	407	587
CONNECTICUT	224	285	244	312	230	297	216	291	223	277	209	292	201	324
DELAWARE	37	54	45	68	65	102	81	98	103	119	113	135	82	117
DISTRICT OF COLUMBIA	55	58	29	32	31	31	13	13	34	36	51	56	44	53
FLORIDA	1223	1696	1473	2021	1478	2162	1590	2347	1674	2394	1576	2207	1326	1849
GEORGIA	331	483	385	557	404	610	490	669	534	711	535	735	536	726
HAWAII	54	58	78	86	53	65	57	68	74	89	77	96	62	74
IDAHO	70	95	62	93	72	113	62	112	79	133	77	132	59	126
ILLINOIS	870	956	691	779	846	966	886	1028	867	1016	907	1090	1151	1310
INDIANA	176	476	241	547	311	647	319	702	289	620	356	750	375	782
IOWA	93	101	107	114	127	133	141	149	147	155	172	182	171	180
KANSAS	120	159	117	179	96	157	148	234	104	187	118	185	171	233
KENTUCKY	331	535	343	575	365	595	434	661	591	869	669	955	673	941
LOUISIANA	194	417	212	492	130	358	122	353	123	343	116	345	169	400
MAINE	93	123	102	122	105	120	114	124	90	100	85	103	100	114
MARYLAND	565	582	600	615	513	524	586	603	509	519	546	560	657	673
MASSACHUSETTS	659	677	649	674	596	620	622	648	549	560	655	671	691	702
MICHIGAN	594	874	506	831	643	966	736	1128	695	1055	714	1078	685	1065
MINNESOTA	158	198	180	222	227	272	272	328	235	287	286	350	290	348
MISSISSIPPI	65	162	95	207	106	233	96	205	100	220	79	179	111	242
MISSOURI	403	516	390	485	475	589	526	670	599	768	595	746	539	700
MONTANA	47	68	62	90	70	109	89	114	54	81	63	96	51	84
NEBRASKA	34	48	39	49	29	49	66	82	58	86	53	79	53	77
NEVADA	343	351	376	385	397	410	439	456	439	448	461	479	446	459
NEW HAMPSHIRE	104	105	145	149	94	96	126	128	116	117	154	159	133	136
NEW JERSEY	372	597	339	512	331	495	351	551	373	618	454	752	602	934
NEW MEXICO	243	278	266	326	324	390	200	315	191	326	243	400	319	376
NEW YORK	1010	1110	1029	1135	1116	1216	1058	1134	1074	1135	1356	1439	1530	1614
NORTH CAROLINA	696	733	750	795	846	903	857	930	776	849	822	967	833	983
NORTH DAKOTA	5	5	17	20	32	37	17	20	18	20	10	10	5	8
OHIO	634	939	705	1090	814	1231	664	918	1124	1473	1272	1627	1355	1729
OREGON	359	383	358	381	342	371	368	406	332	372	392	417	361	377
PENNSYLVANIA	418	1063	492	1191	611	1330	637	1399	629	1338	752	1704	827	1767
RHODE ISLAND	130	132	87	97	133	137	115	119	111	114	142	147	140	146
SOUTH CAROLINA	214	310	199	308	218	358	238	399	271	447	243	417	237	403
SOUTH DAKOTA	23	27	20	22	31	39	35	40	32	34	34	36	24	25
TENNESSEE	470	600	479	616	480	624	535	685	633	799	633	819	723	861
TEXAS	1067	1251	1021	1286	944	1269	1151	1546	1123	1502	1178	1606	1131	1513
UTAH	331	355	359	399	350	387	370	382	336	355	381	398	422	445
VERMONT	57	58	52	52	57	58	39	40	43	44	55	56	55	56
VIRGINIA	408	433	502	523	490	537	477	528	389	415	575	591	533	544
WASHINGTON	661	678	651	700	690	765	708	753	628	675	697	740	695	724
WEST VIRGINIA	285	290	332	337	371	379	184	190	451	456	550	559	468	475
WISCONSIN	334	390	371	419	369	440	397	461	415	478	473	548	483	553
WYOMING	14	28	25	34	40	57	32	48	47	71	43	62	45	71

Schedule 13 - State Opioid Deaths by Year_Adjusted and Unadjusted 4844-9....xlsx
CDC Wonder Opioid Overdose Deaths by State, 1999-2018

	2013 Opioid Overdose Deaths		2014 Opioid Overdose Deaths		2015 Opioid Overdose Deaths		2016 Opioid Overdose Deaths		2017 Opioid Overdose Deaths		2018 Opioid Overdose Deaths	
	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted	Recorded	Adjusted
ALABAMA	166	409	270	566	282	555	343	579	422	603	381	504
ALASKA	69	75	76	84	86	95	94	95	102	105	68	68
ARIZONA	527	798	589	823	671	831	769	896	928	995	1106	1162
ARKANSAS	162	204	173	234	203	261	169	235	188	253	208	254
CALIFORNIA	1948	2596	2024	2623	2018	2551	2012	2514	2199	2570	2410	2729
COLORADO	433	578	517	639	495	618	536	656	578	679	564	615
CONNECTICUT	439	464	525	529	685	691	855	861	955	963	948	950
DELAWARE	113	130	124	158	133	169	154	237	250	299	355	365
DISTRICT OF COLUMBIA	60	68	63	65	98	98	209	211	244	249	191	193
FLORIDA	1268	1741	1399	1893	1838	2429	2798	3691	3245	3960	3189	3599
GEORGIA	530	717	710	861	858	940	918	991	1014	1096	866	918
HAWAII	69	80	59	71	62	70	77	82	53	61	59	62
IDAHO	77	131	78	122	90	121	119	154	103	137	120	142
ILLINOIS	1072	1229	1205	1349	1381	1503	1947	2033	2202	2329	2169	2233
INDIANA	360	779	462	926	535	999	794	1236	1176	1465	1104	1245
IOWA	179	191	158	170	170	188	183	200	206	217	143	151
KANSAS	158	230	173	234	150	201	146	182	144	183	156	187
KENTUCKY	665	890	729	944	885	1117	989	1204	1160	1296	989	1077
LOUISIANA	265	563	260	539	287	606	346	659	415	759	444	819
MAINE	125	131	171	173	238	242	301	305	360	363	282	284
MARYLAND	749	763	921	947	1087	1114	1821	1859	1985	2026	2087	2110
MASSACHUSETTS	888	900	1140	1155	1550	1572	1990	2016	1913	1934	1991	2023
MICHIGAN	909	1300	1052	1494	1309	1685	1762	2029	2033	2303	2011	2210
MINNESOTA	305	379	318	363	338	394	396	460	422	479	343	407
MISSISSIPPI	100	221	115	229	150	238	180	231	185	229	173	201
MISSOURI	620	789	696	847	692	817	914	1069	952	1056	1132	1251
MONTANA	67	91	53	84	48	74	42	68	38	56	64	78
NEBRASKA	41	66	56	76	55	72	44	64	59	77	63	78
NEVADA	398	424	375	392	419	437	408	420	412	419	372	379
NEW HAMPSHIRE	157	160	297	300	380	384	437	442	424	429	412	416
NEW JERSEY	675	1010	728	1032	862	1245	1409	1815	1969	2442	2583	2654
NEW MEXICO	322	335	402	410	351	366	349	361	332	337	338	341
NEW YORK	1681	1758	1739	1817	2166	2254	3009	3091	3224	3314	2991	3050
NORTH CAROLINA	834	955	967	1056	1171	1260	1506	1560	1953	2022	1783	1835
NORTH DAKOTA	11	11	31	33	34	39	54	62	35	38	36	41
OHIO	1630	1942	2106	2380	2698	2896	3613	3802	4293	4480	3237	3405
OREGON	301	322	340	364	331	348	312	328	344	356	339	353
PENNSYLVANIA	958	1929	1092	2168	1362	2746	2235	4051	2548	4752	2866	3754
RHODE ISLAND	190	192	205	206	254	256	279	280	277	280	267	273
SOUTH CAROLINA	247	428	515	545	554	573	628	654	749	772	835	851
SOUTH DAKOTA	34	39	33	35	27	32	42	44	35	36	28	29
TENNESSEE	767	920	863	991	1038	1133	1186	1294	1269	1354	1307	1379
TEXAS	1053	1388	1151	1506	1287	1536	1375	1582	1458	1639	1402	1561
UTAH	432	446	455	466	448	462	466	492	456	468	437	445
VERMONT	70	71	64	65	79	81	101	103	114	114	127	130
VIRGINIA	640	657	758	778	820	840	1130	1158	1241	1260	1193	1203
WASHINGTON	640	673	673	702	692	731	709	761	742	779	737	761
WEST VIRGINIA	490	492	554	562	629	636	733	761	833	845	702	708
WISCONSIN	599	682	627	693	622	704	866	914	926	954	846	868
WYOMING	48	67	54	75	46	62	50	63	47	48	40	41

Purdue Pharma L.P. (19-23649)

BULK CLAIM RECEIPT

CONFIRMATION SHEET

RECEIVED FROM: OTTERBOURG

DATE RECEIVED: 7-30-2020