Purdue, Sacklers offer bankruptcy, $10-12 billion for opioid settlement: Report

Enlarge / Purdue Pharma, the maker of OxyContin, and its owners, the Sackler family, are facing hundreds of lawsuits across the country for the company's alleged role in the opioid epidemic.

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OxyContin-maker Purdue Pharma and its owners, the Sackler family, offered a $10 billion to $12 billion deal to settle around 2,000 opioid lawsuits, according to a report by NBC News citing unnamed sources familiar with the matter.

Purdue and the Sacklers reportedly made the offer in a confidential meeting last week in Cleveland, where a federal judge has consolidated lawsuits claiming that Purdue and other drug makers ignited the opioid crisis by aggressively marketing their drugs while downplaying their addictiveness. The claims largely come from states, cities, and counties. Lawyers for the plaintiffs and at least 10 state attorneys general were reportedly present at the meeting.

According to NBC's sources, both Purdue and the Sacklers would contribute to the $10 billion to $12 billion settlement plan.

Purdue, which made more than $35 billion from OxyContin sales, would potentially contribute $7 billion to $8 billion. It

would do so by first declaring Chapter 11 bankruptcy and then restructuring the company into a for-profit "public benefit trust" that would exist for at least 10 years. According to Purdue's lawyers, the value of the trust would include $4 billion in drugs provided directly to the plaintiff cities, counties, and states. (Some of those drugs would be opioid-overdose rescue drugs.) The remaining $3 billion to $4 billion of Purdue's share of the settlement would come from profits from drug sales.

For the Sackler's part of the offered deal, the family reportedly said it would give up ownership of Purdue and pay out at least $3 billion and potentially up to $4.5 billion. The family, which has an estimated collective wealth of $13 billion, will get the money for the settlement by selling off its global pharmaceutical company, Mundipharma. The payout will depend on how much the family gets for the sale. If Mundipharma sells for more than $3 billion, the Sacklers could tack on as much as $1.5 billion more.

In last week's meeting, lawyers for Purdue reportedly warned plaintiffs that, if they did not take the offered deal, the company would declare bankruptcy anyway. Any other settlements or payouts amid a standard liquidation process, the lawyers said, would be considerably smaller.

Though Purdue is not confirming the reported figures of the settlement, the company confirmed that it's trying to work out a global settlement.

In a statement to NBC News, Purdue said:

> *While Purdue Pharma is prepared to defend itself vigorously in the opioid litigation, the company has made clear that it sees little good coming from years of wasteful litigation and appeals.*
>
> *The people and communities affected by the opioid crisis need help now. Purdue believes a constructive global resolution is*

> *the best path forward, and the company is actively working with the state attorneys general and other plaintiffs to achieve this outcome.*

According to the Department of Health and Human Services, 130 people die every day in the US from opioid-related drug overdoses. A 2017 report by the White House Council of Economic Advisers estimated that the crisis had cost the country $504 billion in 2015.

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