

Allergan State-Subdivision Agreement

This Allergan State-Subdivision Agreement is made and entered into on this ___ day of March, 2023 (this “Agreement”), by and between, the State of Oklahoma (the “State”) through the Attorney General, Gentner Drummond, and counsel for the undersigned Litigating Political Subdivisions (“Counsel for LPS”).

WHEREAS, the State of Oklahoma, by and through its Attorney General, in December 2022, entered as a Settling State into a global opioid settlement agreement with Allergan Finance, L.L.C. and Allergan Limited (f/k/a Allergan plc, which, in turn, was f/k/a Actavis plc) (collectively, “Allergan”) The Allergan Global Opioid Settlement shall be referred to herein as the “Allergan Settlement”.¹

WHEREAS, in order to maximize the recovery in the Allergan Settlement, certain political subdivisions are required to join in the settlements and release Allergan, including Oklahoma political subdivisions that filed litigation against such defendants.

WHEREAS, the Allergan Settlement permits a Settling State and political subdivisions of a Settling State to enter into a State-Subdivision Agreement regarding the allocation, distribution, and/or use of funds allocated to that Settling State and to the political subdivisions of that Settling State.

WHEREAS, the Oklahoma Litigating Political Subdivisions, a list of which is attached as Exhibit A, desire to participate in the Allergan Settlement and to enter into this State-Subdivision Agreement regarding the division and use of settlement funds.

ACCORDINGLY, the State and Counsel for LPS enter into this State-Subdivision Agreement regarding the division of Settlement Funds obtained from the Allergan Settlement.

1. Share of Settlement. The State and LPS agree that all Settlement Funds obtained from the Allergan Settlement, including all base payments and incentive payments to be paid to State Funds, Remediation Accounts Funds and Subdivisions Funds, for all settlement payment years, will be divided twenty-five percent (25%) for the State (the “State Share”) and seventy-five percent (75%) for the LPS (the “LPS Share”). Notwithstanding the above, any attorneys’ fees or costs recovered from the Allergan Attorney Fee or Costs Funds by Counsel for LPS shall not be shared with the State and shall be retained by Counsel for LPS. The parties agree that there is a disputed amount owed to the State’s former outside counsel and agree to hold in escrow 13.5% of each annual settlement payment of the State’s Share (25%) of the Allergen Settlement for the payment of any potential attorney fee owed by the State.

¹ The Allergan Settlement does not include Teva Pharmaceuticals Industries Ltd., Teva Pharmaceuticals USA, Inc., Cephalon, Inc., Actavis LLC, Watson Laboratories, Inc., Actavis LLC (f/k/a Actavis, Inc.), Watson Laboratories, Inc., Actavis Pharma, Inc. (f/k/a Watson Laboratories, Inc.), Actavis Elizabeth, LLC, Actavis Kadian LLC, Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. – Florida), Actavis Laboratories UT, Inc., Actavis Mid Atlantic, LLC, Actavis South Atlantic, LLC, Actavis Totowa LLC, or Anda, Inc.

2. Use of Settlement Funds. The State and LPS agree that the use of Settlement Funds obtained from the Allergan Settlement will be used in accordance with the terms of the Allergan Settlement, including that: (a) all amounts received by the LPS and the State from the Allergan Settlement will be used for Opioid Remediation (as defined in the Allergan Settlement), except as allowed by Section VIII.C of the Allergan Agreement; and (b) that at least seventy percent (70%) of amounts received from the Allergan Settlement will be used solely for future Opioid Remediation.

3. Allocation of LPS Share. The LPS Share of the Allergan Settlement shall be paid by Allergan directly into a settlement fund established for the LPS. Counsel for the LPS will provide banking instructions for the LPS Share.

4. Binding Nature of this Agreement. No LPS shall be bound by the terms of this Agreement until it has approved of its terms by its governing body or an appropriate elected government official authorized to execute this Agreement. The State and Counsel for LPS agree that the terms of this Agreement shall not expire or change until Counsel for LPS has completed the approval process of presenting this Agreement and the Allergan Settlement for approval to the LPS. The Attorney General and each counsel signing this Agreement represent that the undersigned believes this Agreement is fair and reasonable.

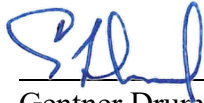
5. Execution of Agreement. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. An executed signature page of this Agreement delivered in .pdf format via email shall be as effective as an original executed signature page.

6. Entire Agreement. This Agreement and any applicable State-Backstop Agreement constitute the entire agreement between the parties with respect to the Allergan Settlement. This Agreement may only be amended by the mutual written consent of the parties. To the extent the terms of this Agreement conflict with the Allergan Settlement, the State agrees that it will work with the Counsel for LPS to amend this Agreement to cure any such conflict. This Agreement and any of the rights, duties, or obligations of the parties hereunder shall not be assigned, transferred, or delegated by any of the parties hereto.

7. Governing Law. This Agreement shall be governed and construed in accordance with Oklahoma law.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement.

ON BEHALF OF THE STATE:



Gentner Drummond
Oklahoma Attorney General
State of Oklahoma

ON BEHALF OF COUNSEL FOR THE LITIGATING POLITICAL SUBDIVISIONS:

[A separate signature page will be executed by each counsel for Litigating Political Subdivisions joining the MOU.]