

Retailer State-Subdivision Agreement

This State-Subdivision Agreement is made and entered into on this ___ day of March, 2023, 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 three global opioid settlement agreements with CVS Health Corporation and CVS Pharmacy, Inc. (collectively “CVS”), Walgreens Co. (“Walgreens), and Walmart Inc. (“Walmart”) (collectively the three global opioid settlement agreements are referred to herein as the “Retailer Settlements”).

WHEREAS, in order to maximize the recovery in the Retailer Settlements, certain political subdivisions are required to join in the settlements and release CVS, Walgreens, and Walmart, including Oklahoma political subdivisions that filed litigation against such defendants.

WHEREAS, the Retailer Settlements permit 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 Retailer Settlements and to enter into this State-Subdivision Agreement regarding the division and use of settlement funds.

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

1. Share of Settlement. The State and LPS agree that all Settlement Funds obtained from the Retailer Settlements, 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 Retailer Attorney Fee or Costs Funds by Counsel for LPS shall not be shared with the State and shall be retained by Counsel for LPS.

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

3. Allocation of LPS Share. The LPS Share of each Retailer Settlement shall be paid by the Retailers directly to into settlement funds for each respective settlement 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 Retailer Settlements 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 Agreements constitute the entire agreement between the parties with respect to the Retailer Settlements. This Agreement may only be amended by the mutual written consent of the parties. To the extent the terms of this Agreement conflict with any of the Retailer Settlements, 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.]