



Legislation Text

File #: O-349-21, Version: 1

Dept. of Law

Authorizing the Mayor and Law Director to vote on behalf of the City in favor of the bankruptcy plan of reorganization that has been negotiated in the Purdue Pharma litigation; to execute any related documents; and declaring an emergency.

SUMMARY & BACKGROUND:

The City of Toledo has a lawsuit pending in U.S. District Court for the Northern District of Ohio against various defendants in the pharmaceutical supply chain related to the devastating impact the opioid epidemic has had on the Toledo community. It is one of many lawsuits that have been filed by governmental entities throughout the country as well as other creditors.

Defendant Purdue Pharma filed bankruptcy in 2019 in U.S. Bankruptcy Court, Southern District of New York. An agreement on a bankruptcy plan of reorganization has been reached with Purdue Pharma through lengthy negotiations conducted with company representatives, a plaintiffs' executive committee, state attorney generals, United States government, and other creditors.

Votes on the plan are due no later than July 14, 2021. This ordinance allows the Mayor and Law Director to vote in favor of the plan and to execute any related documents related to the pending litigation. The Bankruptcy Court will decide whether to approve the plan. It is not possible at this point to determine what the City of Toledo could receive due to the variables of the plan. The City of Toledo signed on last year to the One Ohio Memorandum of Understanding that provides for a statewide distribution formula designed to address the opioid crisis and its impact on our community and communities throughout the state. It is anticipated that the money from the plan, if approved by the Bankruptcy Court, would flow through the One Ohio process.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor and Director of Law are authorized to vote on behalf of the City of Toledo to approve the bankruptcy plan of reorganization negotiated with Defendant Purdue Pharma and other defendants as part of the bankruptcy proceedings being conducted in U.S. Bankruptcy Court for the Southern District of New York. Further the Mayor and Director of Law are authorized to execute any necessary documents related to the bankruptcy proceedings and litigation pending in U.S. District Court, Northern District of Ohio.

SECTION 2. That this ordinance, being an emergency measure, shall take effect and be in force from and after its passage. The reason for the emergency lies in the fact that this ordinance is necessary for the immediate preservation of public peace, health, safety, and property and for further reason that this ordinance must immediately be effective so that a vote in favor of the bankruptcy plan of reorganization can be cast on behalf of the City of Toledo by the July 14, 2021, deadline.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council