

Drug overdose deaths are now the leading cause of accidental death in the United States, surpassing peak annual deaths caused by motor vehicle accidents, guns and HIV infection.

The data shows that the situation is dire and getting worse. Until opioids are prescribed more cautiously and until effective opioid addiction treatment becomes easier to access, overdose deaths will likely remain at record high levels.

Opioids are essential medicines for palliative care. They are also helpful when used for a couple of days after major surgery or a serious accident. Unfortunately, the bulk of the opioid prescriptions in the United States are for common conditions, like back pain.

In these cases, opioids are more likely to harm patients than help them because the risk of long-term use, such as addiction, outweigh potential benefit. Opioids have not been proven effective for daily, long-term use. Evidence suggests that chronic use of opioids can even make pain worse.

Over the last two decades, as prescriptions for opioids began to soar, rates of addiction and overdose deaths increased.

According to the latest survey data over 119 million people took prescription painkillers in 2016; of these, 19 million did so without being directed by a doctor.

Current crises really started in the 1980s. A handful of highly influential journal articles relaxed long-standing fears among doctors about prescribing opioids for chronic pain. The pharmaceutical industry took note, and in the mid-1990s began aggressively marketing drugs such as OxyContin and hydrocodone. This aggressive and at times fraudulent marketing, combined with a new focus on patient satisfaction and the elimination of pain, sharply increased the availability of pharmaceutical narcotics.

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The United States Center for Disease Control and Prevention says the number of fatal drug overdoses in 2016 was expected to top more than 64,000, more than the number of American troops lost in the Vietnam War.

Many of these deaths involved an opioid, either an illegally prescribed narcotic or an illicit drug like heroin or fentanyl.

Complaints typically allege the wholesale distributors violated the Federal Control Substances Act by failing to alert the US Drug Enforcement Administration of suspicious opioids purchases, such as orders of unusual size, frequency or pattern.

The claims against the manufacturers are based on allegations the companies engaged in fraudulent and misleading marketing practices to increase the sales and revenues derived from their opioid products. In addition to their own actions, claims against manufacturers include allegations that the manufacturers conspired with third-party front groups and paid doctors and other thought leaders to promote the manufacturer's false and misleading narrative related to opioids and addiction.

The tortious actions and inactions of the distributors and manufacturers are alleged to have been the primary cause of the opioid epidemic.

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The attorney generals of 41 US states are banding together to investigate the makers and distributors of powerful opioid painkillers that have, over the past decade, lead to a spike in opioid addictions and overdose deaths. These 41 state attorney generals have subpoenaed the opioid manufacturers. They have issued subpoenas seeking information about how these companies marketed and sold prescription opioids. The coalition is also demanding documents and information related to distribution practices from three drug distributors. Our own Attorney General Eric Schneiderman, joined as part of the public announcement.

The investigative subpoenas and documents were served on the pharmaceutical manufacturers Endo International, Janssen Pharmaceuticals, Teva Pharmaceutical Industries and Cephalon, Inc. and Allergan. The group also served a supplemental investigative subpoena to Purdue Pharma.

The documents were also requested of three major pharmaceutical distributors Amerisource, Bergen, Cardinal Health and McKesson. According to the Drug Channel Institute a group that tracks the pharmaceutical industry, these three companies have more than 400 billion in revenue last year and manage about 90 percent of the country's national drug distribution. The states that have already filed law suits against the pharmaceutical companies include Oklahoma, Missouri, Ohio, Mississippi, New Hampshire, New Mexico and South Carolina.

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How were counties financially damaged?

1. Public safety: increased cost of law enforcement, 911 services, emergency medical services and fire departments as well as other governmental departments and agencies charged with protecting citizens' general welfare.

2. Social services: family and children services, services and costs related to the homeless, health care, addiction treatment, mental health services, coroner services, indigent burial, as well as other services related to maintaining the basic fabric of families and the community.

3. Court costs including public defender services, cost of prosecution and other costs related to increased crime due to opioid addiction.

In 2007 three executives of Purdue Pharma paid \$634 million fine for criminal charges accusing them of misleading regulators, doctors and patients about the risk of addiction associated with OxyContin.

Despite the guilty plea which included an agreement to cease misleading marketing and promotion, Purdue and other opioid manufacturers continued their deceptive practices while the opioid makers raked in billions state, city and county governments were forced to cover the cost of the opioid epidemic created by their greed.

The reason why I am here is because we would like to have you become part of the litigation process in bringing actions against the pharmaceutical companies.

Plaintiffs' lawyers pursuing litigation against larger pharmaceutical companies generally focus on the merits of their case, and function under the misconception that defendants are also primarily focused on the merits of the case.

The plaintiff lawyer's belief that the merits of a case are the primary factor that leaves public company defendants to make the decision to settle a mass action case, fail to consider a factor more important to the CEOs and other pharmaceutical company executives.

Pharma executives must consider the effect a mass litigation may have on their stock price. The market optics, and their decision to settle a case separately from any consideration, related to the merits of a case.

For an example as of October 13, 2017 Johnson and Johnson stock was selling at \$136.43 per share with a market cap of \$336.18 billion. We will presume that Johnson and Johnson stock price drops to \$130.00. The \$6.43 drop in stock prices would reduce Johnson and Johnson's market cap to \$320.27 billion or over \$16 billion in a market capital loss. A \$12.83 drop in the stock price would reduce the company's market cap by \$32 billion. A \$25.66 stock price would reduce the market cap by \$64 billion.

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It is worth noting that no matter how egregious the actions giving rise to a mass litigation may have been, corporate executives did not lose their jobs. On the other hand, if the executives fail to manage the stock price during a mass litigation, take the Volkswagen ignition switch litigation for instance, executives were fired as soon as the stock price takes a major hit.

If a company allows a litigation to sow uncertainty in the market, which does not like uncertainty, the stock price will suffer. Generally companies subject to mass litigation, when communicating with their market, deny all wrongdoing involved to fight the case to the death. Knowing full well that fighting to the death is rarely the best path for the stock price. So please join with us in bringing actions against the various manufacturers and distributors. I have prepared proposals and a copy of our retainer agreement and we would just like to have you know that it would not cost your entities either county or city or village any monies to pursue the actions against the drug companies. We will pay the whole thing and we would take the case on a contingency basis and if we do not recover any monies then we will not get paid. Thank you for your kindness and consideration in listening and I hope all of you have a very good evening. Thank you.

BIG TOBACCO AND BIG OPIOID ENGINEERED ADDICTION

Federal Judge Gladys Kessler, in her 1652 page opinion, finding in favor of plaintiffs against big tobacco et.al. and various tobacco front groups could have been opining on the actions of the opioid manufacturers when she used terms such as engineered addiction as well as made statements like:

“Defendants Have Falsely Denied, Distorted and Minimized the Significant Adverse Health Consequences of Smoking for Decades.

