

City Council – Action Request Form

Date: August 2, 2021

To: Mayor, Mayor Pro Tem, and Members of the City Council

From: Angela I. Carmon, City Attorney

Council Action Requested:

Resolution Ratifying the City’s Vote in Favor of the Purdue Pharma Chapter 11 Bankruptcy Reorganization Plan

Strategic Focus Area: Service Excellence

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

Purdue Pharma (“Purdue”), one of the defendants in the opioid litigation filed by the City of Winston-Salem and other cities and counties across the country, filed Bankruptcy-Chapter 11. Purdue’s Chapter 11 Reorganization Plan (“Plan”) was scheduled for a vote on July 14, 2021. The Plan provides for the assets of the Purdue corporation to be transferred to a new “corporation” that will be indirectly owned by the “public creditors” of Purdue- all state, local and tribal governments. It is anticipated that the continued operation of the company and its ultimate sale may generate \$1-2 billion in assets. Outside legal counsel representing the City in the aforementioned litigation recommended voting for said Plan. Attorney General Josh Stein announced his support for the Plan on July 8, 2021. Based upon the foregoing, a favorable vote for said Plan was cast for the City of Winston-Salem. The attached resolution, recommended for your approval, ratifies the vote cast in favor of said Plan on behalf of the City.

Committee Action:

Committee

Action

For

Against

Remarks: