

City Council – Action Request Form

Date: September 20, 2021

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

From: Angela I. Carmon, City Attorney

Council Action Requested:

Resolution Authorizing or Ratifying the City’s Vote in Favor of the Mallinckrodt, PLC 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:

Mallinckrodt, PLC (“Mallinckrodt”), 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. The Mallinckrodt Chapter 11 Reorganization Plan (“Plan”) is scheduled for a vote on or about September 17th, if not extended. The Plan proposes to establish the opioid plaintiff recovery trust (the “Opioid Trust”) that, among other things, would establish an abatement fund to offset the costs of combatting opioid addiction and providing support to communities impacted by opioid abuse. The structure of the Opioid Trust, which includes sub-trusts for the benefit of: non-federal governments, tribal nations, and various private creditors, is substantially similar to the Purdue Pharma Plan, which the City voted in favor of in July, upon recommendation of outside legal counsel and the City Attorney’s Office. Outside legal counsel is now recommending, with the concurrence of the City Attorney’s Office, that the City vote in favor of the Mallinckrodt Plan. Based upon the foregoing, a favorable vote for said Plan will be cast for the City of Winston-Salem. The attached resolution, recommended for your approval, authorizes or ratifies any vote cast in favor of said Plan on behalf of the City.

Committee Action:

Committee

Action

For

Against

Remarks: