

JANUARY 24, 2020

JON PALADINI
JON.PALADINI@PRESCOTT-AZ.GOV
CITY OF PRESCOTT, ARIZONA

RE: OPIOID MATTER – REPRESENTATION OF OTHER ENTITIES

Dear Jon:

As your lead outside counsel in the opiate litigation, I want to update you on a recent development and disclose a conflict of interest that appears to have recently arisen. As you know, the firm of Andrews & Thornton is our co-counsel and is one of the firms that has been retained by the CITY OF PRESCOTT, ARIZONA to seek all appropriate remedies against the manufacturers and distributors of prescription opioids for their role in causing and perpetuating the nationwide opioid crisis. Besides representing municipality clients, Andrews & Thornton also represents individual victims of the opioid crisis.

In the three years since widespread litigation against these drug companies began, two opioid manufacturers—Insys Therapeutics and Purdue Pharma—have filed for Chapter 11 (reorganization) bankruptcy protection. Andrews & Thornton, along with our firm as lead counsel, are active in these bankruptcies to protect the CITY OF PRESCOTT, ARIZONA's interests. Other defendants named in your case may also file for bankruptcy protection like Insys and Purdue.

Given her extensive prior experience serving on and advising creditor committees in high-profile bankruptcies, and her advocacy in these cases on behalf of Andrews & Thornton's clients, Anne Andrews of Andrews & Thornton has been asked to serve, and is serving, on the Unsecured Creditors' Committee in both the Insys and Purdue bankruptcies. This fact means that Ms. Andrews has been operating at the highest levels in these bankruptcies resisting efforts by adverse parties to limit the recovery of unsecured creditors like the CITY OF PRESCOTT, ARIZONA.

Recently, it became apparent that the Purdue Pharma/Sackler estate may be inadequate to satisfy its liabilities. Andrews & Thornton, as counsel to individual opioid victims as well as municipalities, has thus become aware of the potential conflict in the opioid bankruptcies given that both the individual victims and the public entities will each be vying for compensation from the funds available from the debtors in the bankruptcy proceeding. Andrews & Thornton and Ms. Andrews advise us, having consulted with their own separate counsel, that no actual conflict exists since Ms. Andrews, in her position in the bankruptcies, is obligated to maximize recovery for all claimants, not just one category of cases. In addition, other plaintiffs' counsel in this litigation represent multiple different categories of plaintiffs. All of us are committed to maximizing recoveries for all of our clients.

We will continue as zealous advocates on your behalf in all aspects of the opioid cases. Most importantly, the majority of the CITY OF PRESCOTT, ARIZONA's claims exist in active litigation wholly outside of the bankruptcies.

We request that the CITY OF PRESCOTT, ARIZONA sign below to acknowledge the existence of this potential conflict and agree to the following:

CITY OF PRESCOTT, ARIZONA acknowledges that ANDREWS & THORNTON, AAL, ALC represents individual opioid victims in the bankruptcies of one or more opioid manufacturers. There exists the possibility that a future, waivable conflict may arise due to limited funds available to a bankrupt defendant in a bankruptcy action. Accordingly, the CITY OF PRESCOTT, ARIZONA agrees to waive the potential conflict relating to the concurrent representation of different clients pursuing recovery from limited funds from a bankrupt debtor to the extent permissible under the Rules of Professional Conduct.


Thank you for your consideration.

Sincerely,



Jeffrey H. Reeves

THEODORA ORINGHER PC



Anne Andrews

ANDREWS & THORNTON

Dated: _____

By: _____
CITY OF PRESCOTT, ARIZONA

APPROVED AS TO FORM: