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NEWS FOR IMMEDIATE RELEASE

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**AG Kaul Announces Updated Settlement with
Opioid Manufacturer Mallinckrodt**

MADISON, Wis. – Attorney General Josh Kaul today announced an update to a global settlement framework agreement between state attorneys general, local subdivisions, and the opioid manufacturer Mallinckrodt (MNK), its subsidiaries, and certain other affiliates. Under the new settlement, MNK will pay \$1.6 billion into a trust as described below. MNK is currently the largest generic opioid manufacturer in the United States.

“Families have been devastated by opioid addiction, and our communities need resources to support prevention efforts and treatment. Opioid manufacturers must be held accountable for their role in the opioid epidemic,” said Attorney General Kaul.

MNK will pay \$1.6 billion of cash into a trust that will go toward abating the opioid crisis, including valid claims related to MNK’s role in the opioid crisis raised by non-governmental claimants. MNK will pay the \$1.6 billion according to the following schedule:

- \$450 million upon emergence from bankruptcy;
- \$200 million annually on first and second anniversary of emergence from bankruptcy; and
- \$150 million annually on third through seventh anniversaries of emergence from bankruptcy.

MNK also agrees that its opioid business will be subject to stringent injunctive relief that, among other things, will prevent marketing and ensure systems are in place to prevent drug misuse.

This payment schedule improves the February deal by moving \$150 million from the last payment to the first. Since the February settlement, MNK has taken on additional liability due to other legal issues and the impact of COVID-19. As a result, MNK is now putting the entire company into bankruptcy, which requires that the February agreement be renegotiated.

Details about how the proceeds will be distributed, and how the trust will be administered, are all still being negotiated.

Wisconsin DOJ has not filed suit against Mallinckrodt, and because the resolution will occur in a bankruptcy proceeding, the requirements of 2017 Wisconsin Act 369 do not apply.