



separate counts based upon their conduct as owners, officers, and board members of the defendants Purdue Pharma L.P. and Purdue Pharma Inc. The proposed additional counts to the Complaint are filed with this motion and attached as Exhibit A.<sup>1</sup>

WHEREFORE, plaintiff, the State, respectfully requests the Court enter an order granting it leave to file Counts III, IV, and V to its Complaint for Injunctive and Other Relief, *Instante*, and that the Court enter such other and further orders as it deems just and appropriate.

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Respectfully submitted,

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The People of the State of Illinois

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<sup>1</sup> Because some of the information contained in the proposed additional counts was obtained pursuant to confidentiality agreements entered into as part of plaintiff's investigation into the defendants' conduct, several paragraphs of the proposed additional counts are redacted. If the Court grants the motion for leave to add additional counts to its complaints, the plaintiff will file a motion seeking the Court's ruling on whether the redacted portions of the proposed additional counts should be filed under seal or whether the publicly filed complaint should be filed in an unredacted form.

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## CERTIFICATE OF SERVICE

I, Lauren Barski, an attorney, hereby certify that on August 19, 2019, I caused a true and correct copy of the foregoing document to be served electronically on the counsel of record listed on the below Service List.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that she verily believes the same to be true.

/s/Lauren Barski

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# EXHIBIT A



Purdue's head of research and development from at least 1990 through 1999, and its president from 1999-2003. At all times material to this Complaint, acting alone or in concert with others, Richard Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Richard Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. He resides in New York, Florida, and Texas.

392. Defendant Theresa Sackler was a member of Purdue's board from 1993 through 2018. At all times material to this Complaint, acting alone or in concert with others, Theresa Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Theresa Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. She resides in New York and the United Kingdom.

393. Defendant Kathe Sackler was a member of Purdue's board from 1990 through 2018. At all times material to this Complaint, acting alone or in concert with others, Kathe Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Kathe Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and

gives rise to the State's claims as alleged in this Complaint. She resides in New York and Connecticut.

394. Defendant Jonathan Sackler was a member of Purdue's board from 1990 through 2018. At all times material to this Complaint, acting alone or in concert with others, Jonathan Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Jonathan Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. He resides in Connecticut.

395. Defendant Mortimer D.A. Sackler was a member of Purdue's board from 1993 to 2018. At all times material to this Complaint, acting alone or in concert with others, Mortimer Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. He resides in New York.

396. Defendant Beverly Sackler was a member of Purdue's board from 1993 through 2019. At all times material to this Complaint, acting alone or in concert with others, Beverly Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Beverly Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. She resides in Connecticut.

397. Defendant David Sackler was a member of Purdue's board from 2012 through 2018. For the period 2012 through 2018, acting alone or in concert with others, David Sackler was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, David Sackler approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. He resides in New York.

398. Defendant Ilene Sackler Lefcourt was a member of Purdue's board between 1990 and 2019. At all times material to this Complaint, acting alone or in concert with others, Ilene Sackler Lefcourt was personally aware of, was responsible for, engaged in, participated in, conducted, dominated, exercised dominion over, controlled, authorized, and/or directed the deceptive acts or practices set forth in this Complaint. As a member of Purdue's Board of Directors, Ilene Sackler Lefcourt approved and oversaw deceptive conduct that was purposefully directed at Illinois and gives rise to the State's claims as alleged in this Complaint. She resides in New York.

### **JURISDICTION**

391. The Court has personal jurisdiction over each of the Sackler Defendants pursuant to Sections 2-209(a) and (c) of the Illinois Code of Civil Procedure, 735 ILCS 5/2-209(a) and (c), in that, as demonstrated by the allegations set forth above, the Court has personal jurisdiction over Purdue, and from at least 2010 through 2018 the Sackler Defendants authorized, were responsible for, engaged in, were aware of, directed, participated in, conducted, dominated, exercised dominion over, and/or controlled the unlawful transactions and conduct of Purdue described above, rendering Purdue the alter ego and/or Illinois agent of the

Sackler Defendants and rendering the Sackler Defendants subject to the personal jurisdiction of the Court. The Sackler Defendants are also subject to the Court's jurisdiction for having participated in a fraudulent transfer scheme causing injury in Illinois.

### **ALLEGATIONS COMMON TO COUNTS III, IV, AND V**

#### **The Sackler Defendants Formed and Controlled Purdue**

392. Purdue's misconduct was orchestrated, directed, controlled, caused, and/or allowed by the Sackler Defendants, all of whom received substantial financial benefit as a result of the immense profits generated by Purdue's opioid products.

393. Purdue is completely Sackler-owned, and always has been since the purchase of the Purdue Fredrick Company by Raymond Sackler and Mortimer Sackler in 1952.

394. Since creating Purdue Pharma, L.P. and Purdue Pharma Inc. in the early 1990s, the Sackler Defendants have always held a majority of the seats on the Board of Purdue Pharma, Inc., thereby exercising ultimate oversight and control over Purdue and its employees.

395. Defendant Richard Sackler began working for Purdue in the 1970's, holding positions including Vice President of Marketing and Sales, Senior Vice President and eventually President. Richard Sackler resigned as President in or around 2003. He continued in his role as co-chairman of the Board and remained a member of the Board until in or around 2018.

396. Defendants Mortimer D.A. Sackler, Kathe Sackler, Ilene Sackler Lefcourt and Jonathan Sackler all also held positions as officers of Purdue, including during the development, launch, promotion and marketing of OxyContin. All resigned their positions as officers in or around 2003 and continued to serve on the Board of Purdue until in or around 2018.

397. Defendant Beverly Sackler served as a member of Purdue's Board from 1993 to 2017.

398. Defendant Theresa Sackler served as a member of Purdue's Board from 1993 to 2018.

399. Defendant David Sackler served as a member of Purdue's Board from 2012 to 2018.

400. Defendant Ilene Sackler Lefcourt served as a member of Purdue's Board from 1990 through 2019.

401. Defendant Jonathan Sackler served as a member of Purdue's Board from 1990 through 2018.

402. Defendant Kathe Sackler served as a member of Purdue's Board from 1990 through 2018.

**The Sackler Defendants Launched and Promoted OxyContin Based on a Deception Regarding the Drug's "Personality"**

403. Even before the release of OxyContin, the Sackler Defendants knew it was a dangerous drug. In 1995, Dr. Curtis Wright, the FDA Medical Officer Reviewer who led the agency's medical review of the drug noted that, "[c]are should be taken to limit competitive promotion."

404. The Sackler Defendants also knew OxyContin was a drug that would need an extraordinary marketing campaign behind it to distinguish it from competition. As Dr. Wright observed, "This product has been shown to be as good as current therapy, but has not been shown to have a significant advantage beyond reduction in frequency of dosing."

405. Undeterred by these risks, at the OxyContin launch party in 1996, Richard Sackler touted the “blizzard of prescriptions” to come that would “be so deep, dense, and white” it would bury Purdue’s competition.

406. Richard Sackler’s “blizzard of prescriptions” came with a fury, in part because of an early and extraordinary deception about OxyContin on which the Sackler Defendants capitalized: many physicians were quick to prescribe the drug because they incorrectly held the view that oxycodone was weaker than morphine. In truth, OxyContin is more potent than morphine, and the Sackler Defendants knew it.

407. The Sackler Defendants used deception to cultivate a “personality” for OxyContin that was less threatening to doctors and patients than its alternatives. From the launch of the drug in 1996, the Sackler Defendants knew that Purdue was misleading health care providers about the dangers of the drug.

408. As former Purdue executive Michael Friedman wrote to Richard Sackler in May 1997, “We are well aware of the view, held by many physicians, that oxycodone is weaker than morphine. We all know that this is the result of their association of oxycodone with less serious pain symptoms...This ‘personality’ of oxycodone is an integral part of the ‘personality’ of OxyContin...Doctors use the drug in non-malignant pain because it is effective and the ‘personality’ of OxyContin is less threatening to them, and their patients, than that of the morphine alternatives...it would be extremely dangerous, at this early stage in the life of this product, to tamper with this ‘personality,’ to make physicians think the drug is stronger or equal to morphine.”

409. Richard Sackler responded, “I agree with you.”

410. The Sackler Defendants were quick to embrace and market OxyContin's deceptive "personality." In June 1997 OxyContin Team Meeting Minutes to Richard Sackler, Michael Friedman wrote, "Since oxycodone is perceived as being a 'weaker' opioid than morphine, it has resulted in OxyContin being used much earlier for non-cancer pain. Physicians are positioning this product where Percocet, hydrocodone, and Tylenol with codeine have been traditionally used. Since the non-cancer pain market is much greater than the cancer pain market, it is important that we allow this product to be positioned where it currently is in the physician's mind...It is important that we be careful not to change the perception of physicians toward oxycodone when developing promotional pieces, symposia, review articles, studies, etc."

411. Richard Sackler responded, "I think that you have this issue wellin [sic] hand."

412. Not too long after the launch of OxyContin, the Sackler Defendants evaluated whether they could achieve non-narcotic status for the drug overseas. In a 1997 email chain including Richard Sackler, Mortimer Sackler, Kathe Sackler, and Jonathan Sackler, OxyContin's inventor, Robert Kaiko, expressed great concern over the proposal, stating that he didn't believe Purdue "ha[d] a sufficiently strong case to argue that OxyContin has minimal/or no abuse liability." In fact, Dr. Kaiko insisted that "oxycodone containing products are still among the most abused opioids in the U.S." and that if the product was uncontrolled in Germany "it is highly likely that it will eventually be abused." Richard Sackler responded: "How substantially would [uncontrolled status] improve your sales?" Later, after learning that OxyContin would in fact be scheduled in Germany, Richard Sackler nonetheless told the group that they should further discuss the idea -- "it was a good idea, if it could be done."

### **The Sackler Defendants Directed and Controlled OxyContin Sales and Marketing**

413. After the launch of OxyContin, the Sackler Defendants, driven by greed, fixated on sales numbers and directed and controlled the strategies for marketing and selling opioids.

414. The company hired hundreds of sales representatives and trained them to lie about the potency of the drug and the risk of addiction. As one sales representative told a reporter, “We were directed to lie. Why mince words about it? Greed took hold and overruled everything. They saw that potential for billions of dollars and just went after it.”

415. The Sackler Defendants expected regular reports on the product’s sales. Dating back to 1994, staff was directed to send all the Sackler Defendants all Quarterly Reports and any other reports directed to the Board.

[REDACTED]

419. Weekly sales reports to the Sackler Defendants were routine. But soon, even reports of nearly \$100 million dollars a month in opioid sales didn’t satisfy the Sackler

Defendants. In June 1999, Michael Friedman sent Richard Sackler daily sales information showing that Purdue was on track to make \$80 or \$90 million a month from sales of MS Contin and OxyContin. Mr. Friedman wrote: “This is good.” Unimpressed, Richard Sackler responded: “Ah, not so great...Blah, humbug. Yawn. Where was I?”

420. In addition to closely monitoring sales, the Sackler Defendants developed broad strategies for controlling the message about Purdue’s opioid products, particularly to counter the reports of diversion and abuse. Part of a 2001 Public Affairs Department Performance Plan includes the directive to “Address Threats to the Business and Protect Purdue’s Reputation” by “securing coverage in national and local media that highlights the undertreatment of pain in America and providing fair balance to counter sensational reports of diversion and abuse.”

421. Purdue staff were directed to “[p]roduce video news release of testimonials from opioid analgesic patients to debunk physician and patient misperceptions and myths about opioid addiction and safety.”

422. The Sackler Defendants tried to frame the narrative around opioids as one of “protecting patients’ rights to proper pain management,” and wanted very specific deceptive messages to be circulated in the marketplace, including:

- “We are concerned about the misuse of OxyContin by a small group of substance abusers. However, we are more concerned that unbalanced news reports on this issue might create fear and reticence among patients who rely on OxyContin to manage their pain and to preserve their quality of life.”
- “Until medical science can cure the disease, and repair the serious injuries, that cause pain, opioids are a safe and effective method of pain management.”
- “When opioids are prescribed and used in accordance with the approved FDA labeling, they are a safe and effective pain treatment for millions of people around the world.”
- “Surveys show that addiction is very rare in patients taking opioids under a physician’s care.”

- “Addiction and dependence are not the same and misunderstanding regarding these terms is a barrier to proper pain management. Myths and perceptions about addiction, and mislabeling patients as addicts, can result in the unnecessary withholding of opioid medications from patients in need.”

423. These messages distorted and misrepresented the truth that it was not merely a “small group of substance abusers” harmed by opioids, and that opioids pose a significant risk of addiction, overdose, and death—even when used as prescribed. The Sackler Defendants knew and intended that Purdue would direct the unfair and deceptive messages to Illinois health care professionals and their patients, and the Sackler Defendants knew and intended for Illinois health care professionals and patients to rely on these unfair and deceptive messages.

424. Toward that end, the Sackler Defendants minimized the mounting abuse problem and pressed on with their agenda. A January 2001 presentation titled “Protecting Purdue, Providers, and Patients: Managing Purdue’s Public Exposure,” stated that “We intend to keep our focus on under-treatment of pain and patients’ rights to access to appropriate and effective pain care,” and one objective is to “oppose unnecessary barriers to patient access to necessary pain therapies.”

425. Part of the Sackler Defendants’ strategy was to downplay opioid abuse and frame victims of opioid addiction as drug addicts and criminals. In February 2001, in response to growing media coverage of issues surrounding opioid abuse, Richard Sackler’s solution was simple: Purdue needed “to hammer on the abusers in every way possible. They are the culprits and the problem. They are reckless criminals.” The Sackler Defendants were intent on “stay[ing] the course and speak[ing] out for people in pain - who far outnumber the drug addicts abusing our product.”

426. A week later, Mortimer Sackler sent Richard Sackler a New York Times article detailing the “growing wave of drug abuse” involving OxyContin which had law enforcement officials seeing “mounting overdoses,” pharmacy break-ins, emergency room visits and deaths. Richard Sackler wrote: “This is not too bad. It could have been far worse.”

427. Intent to “hammer on the abusers,” in July 2001 Richard Sackler wrote to a friend: “I believe that the media has nefariously cast the criminal drug abuser as a victim instead of victimizer. These are criminals, and they engage in it with full, criminal intent. Why should they be entitled to our sympathies?”

428. In response to growing negative media reports, Purdue developed a media campaign titled “The Truth About Pain Management” as part of Purdue’s “Partners Against Pain” collaboration among pain experts to “advance the practice of effective pain management.”

429. One of the taglines for “The Truth About Pain Management” campaign was “Untreated Pain is America’s Silent Epidemic.” The campaign minimized the dangers of the opioid epidemic, instead repeating deceptive messages such as “True addiction rarely occurs when opioids are used properly under medical supervision to relieve pain.”

430. Partners Against Pain also promoted the pseudoscience concepts of “pseudotolerance” and “pseudoaddiction.” These terms are not long-standing or widely recognized medical terms but instead were developed in 1989 and promoted by the Purdue-funded front groups like the American Academy of Pain Medicine and the American Pain Society.

431. Pseudotolerance is the “need to increase dosage that is not due to tolerance but due to other factors such as: disease progression, new disease, increased physical activity, lack of compliance, change in medication formulation, drug interaction, addiction, and diversion.”

Pseudoaddiction is “a term which has been used to describe patient behaviors that may occur when pain is undertreated.” Purdue promoted these conditions because the purported solutions to both require the use of more opioids.

432. Another Partners Against Pain marketing campaign included the publication of a pamphlet titled “Myths About Opioids.” In addition to defining pseudotolerance and pseudoaddiction, the pamphlet declared it a “myth” that “opioid addiction (psychological dependence) is an important clinical problem in patients with moderate to severe pain treated with opioids.” Rather, Purdue insisted, “Fears about psychological dependence are exaggerated when treating appropriate pain patients with opioids.”

433. These same messages were sent to thousands of doctors, including in Illinois, in Purdue’s “educational initiative” material called “Focused and Customized Education Topic Selections in Pain Management” (FACETS). FACETS instructed health care providers to accept that “tolerance and physical dependence are normal consequences of sustained use of opioid[s]” and that pseudoaddiction is a consequence of “inadequate pain management” and can be resolved by prescribing more opioids.

### **The Sackler Defendants Voted to Approve the Guilty Plea of Purdue and its Executives**

434. In 2007, just over 10 years after OxyContin’s launch in 1996, Purdue’s deceptive marketing of opioids led to the federal criminal convictions of high-level Purdue executives.

435. At the time, Richard Sackler was Purdue’s President. Jonathan, Kathe, and Mortimer were Purdue Vice-Presidents. Richard, Jonathan, Kathe, Mortimer, Ilene, Beverly, and Theresa Sackler controlled Purdue’s Board of Directors.

436. The Sackler Defendants voted to have three Purdue Pharma executives plead guilty as individuals, and to have the Purdue Frederick Company plead guilty to a criminal charge of misbranding as related to the marketing campaign for OxyContin.

437. The Sackler Defendants voted to admit, in an agreed Statement of Facts, that

Beginning on or about December 12, 1995, and continuing until on or about June 30, 2001, certain Purdue supervisors and employees, with the intent to defraud or mislead, marketed and promoted OxyContin as less addictive, less subject to abuse and diversion, and less likely to cause tolerance and withdrawal than other pain medications.

The Sackler Defendants were undeterred by these guilty pleas, and continued to direct and participate in Purdue's deceptive conduct.

**The Felony Convictions Did Not Deter the Sackler Defendants from Continuing to Cause, Control, and/or Allow Purdue's Deceptive Sales and Marketing Efforts**

438. In July 2007, Purdue's Executive Committee reported to the Board that Purdue's gross sales for 2007 would be around \$1.3 billion, and pre-tax profits would exceed \$600 million.

439. Not content with this success, the Sackler Defendants continued to fixate on sales, especially of Purdue's highest dose and most profitable pill, OxyContin 80 mg.

440. In October 2007, the Executive Committee reported to the Board that "OxyContin 80 mg is at Rx levels not seen in over 2 years."

441. At that time, Purdue expected to collect more than half its total revenue from sales of OxyContin 80 mg.

442. To increase opioid sales even more, the Sackler Defendants authorized the continued expansion of the sales force. At a January 2008 Purdue Board meeting, staff told the Sackler Defendants that Purdue employed 304 sales reps who were succeeding at promoting higher doses of opioids, as OxyContin 80mg continued to sell at levels not seen in over 2 years.

443. Board presentations were not sufficient for the Sackler Defendants, however. They lamented when employees didn't comply with their demands. As Richard Sackler wrote to Kathe, Jonathan and Mortimer Sackler on January 6, 2008, "I'm very troubled by our organizations lack of responsiveness and sense of time. The request has been out since noon, Friday. No one wanted to work on it over the weekend...I'm sick of this stuff."

444. And the Sackler Defendants were intimately involved at all hours in the details of day-to-day operations, In January 2008, Richard Sackler wanted to know the details of how the Patient Savings Cards worked. These cards allowed patients to get OxyContin with a \$10 out-of-pocket co-pay and then up to \$50 off the OxyContin prescription for up to 5 prescriptions. By mid-2008, there had been 188,212 total \$50 savings card redemptions. Of those, 27% had been used for five prescriptions. The Sackler Defendants knew that after five prescriptions, many patients would face significant withdrawal symptoms if they tried to stop taking opioids.

445. In February 2008, staff projected OxyContin sales to flatten in 2010 and start coming down in 2011. Mortimer Sackler demanded to know why, and Richard chimed in late in the evening to instruct staff "if you can repair this before tomorrow, it would be very welcome."

446. Around this time, Richard Sackler talked with executives about "how we get 100% of people covered second or third tier at a minimum." His solution: executive Russell Gasdia "will have to be the hammer." Gasdia responded internally to executive John Stewart, "This is unrealistic. We never were at 100 percent and will not be. We do not need to be to gain a majority of patients appropriate for OxyContin. Some of the things they ask for are not good for us and impact bigger issues."

447. In February 2008, Richard Sackler changed the way sales reps' general performance was measured, directing that performance be measured by prescription strength,

“giving higher measures to higher strengths an[d] especially the new strengths.” The Sackler Defendants knew and intended that the sales reps would push higher doses of Purdue’s opioids, all while knowing higher doses were associated with greater dangers.

448. In March 2008, Richard Sackler demanded scores of underlying data about sales of OxyContin. Staff responded to him on a Sunday morning, only to have Richard follow up with additional detailed data requests, asking “Can you conveniently do this this morning?” Richard then called the staff member at home later that Sunday to share his opinion that the sales forecast was too low, and that “he is going to recommend the Board not approve it.”

449. It was not uncommon for the Sackler Defendants to contact members of Purdue’s Executive Committee and other staff on weekends to discuss the details of opioid sales. On another Saturday in March, 2008, Richard wrote to staff, copying Ilene, Kathe, Mortimer, Raymond, Jonathan, and Theresa Sackler, that he is “eager to find ways to build our Rx loyalty to OxyContin tablets and continue the positive trend in Rx growth that began to falter about 6-8 months ago.” He continued with a list of additional questions he wants answers to. John Stewart responded privately to Russell Gasdia: “John, I know it is tricky, but Dr. Richard has to back off somewhat. He is pulling people in all directions, creating a lot of extra work and increasing pressure and stress. I will draft a response but he is not realistic in his expectations and it is very difficult to get him to understand.”

450. That same Saturday Richard Sackler sent another email to John Stewart and Russell Gasdia, copying Kathe, Jonathan, and Mortimer Sackler, instructing them to present a savings card program to the Board. When Russell responded that he didn’t think he should present the current card program to the Board even though “we know it works,” Richard fired

back at 9:17 p.m. that Saturday night, “OK to defer the presentation, but I don’t understand why you say ‘we know that it works.’ Just how do we know that it works?”

451. There was no end to the Sackler Defendants’ inquiries and expectations. That same weekend, Russell Gasdia and staff had to deal with Richard’s refusal to “accept a flat trend the remainder of the year for total oxycodone er [extended release].” Exasperated, Gasdia complained that Richard “wants 100 percent patient acceptance when they walk into a pharmacy...This is the third weekend in a row where Dr. Richard has people running around, on the phone, working instead of relaxing with family and we never seem to get to the ‘end.’ It just opens the need ‘door’ and he starts focusing on something new.”

452. Still upset with the sales projections, Richard Sackler followed through on his threat to have the Board reject the 2008 forecast. Instead, Richard laid out his own “Report to the Board on Oxy-Codone Rx numbers,” and proposed to the rest of the Sackler Defendants that he, with John Stewart and Mortimer Sackler, “reforecast the year and also the 5 year plan for OxyContin tablets and related entries....”

453. At the same time, Kathe, Jonathan, and Mortimer Sackler were pushing staff to increase their 2008 forecast for OxyContin sales. In response to one staff member’s 2008 report to Richard, Kathe, Jonathan, and Mortimer Sackler that the savings card program “is part of the mix that enables Purdue to counter the forces that would try to drive OxyContin scripts down in the face of competition and payor pressures,” Kathe Sackler responded: “Please identify which ‘pressures’ you refer to in your email below and provide some quantification of their negative impact on projected sales....”

454. Cash flow was always a priority for the Sackler Defendants. In April 2008, Richard Sackler emailed a memo about CEO selection to Ilene, David, Kathe, Jonathan, and

Mortimer Sackler which discussed strategies for “maximizing value for the present owners” (of Purdue). It states: “**Priority 1. Sustaining, protecting, and extending the cash flow afforded by the OxyContin tablets franchise**” (emphasis in original).

455. To this end, in April 2008 Purdue hired a strategic research agency to report on “Purdue Pharma’s Reputation.” After noting that “reputation matters,” the Report outlines some “Key Messages that Work,” including the false and misleading axioms “It’s not addiction, it’s abuse,” and “It’s about personal responsibility.”

456. The Sackler Defendants continually sought to expand their sales force in order to extract ever greater cash flow benefits from OxyContin. The Sackler Defendants knew it was crucial to instruct their sales representatives to sell opioids directly in doctors’ offices and hospitals: “As we increase call frequency on prescribers, we see increased prescriptions for oxycodone er (OxyContin brand + generics); When we see fewer calls on prescribers, we see a reduction in prescriptions.”

457. In 2009, the Sackler Defendants voted to spend \$112.4 million to grow Purdue’s sales force, an increase from \$89.9 million for the sales force in 2008.

458. The impact of this sales force expansion was substantial in Illinois. In 2008, for example, Purdue sales representatives visited Illinois health care providers nearly 13,000 times.

459. In April 2009, the Sackler Defendants were informed that “For the first time since January 2008, OxyContin 80 mg strength tablets exceeded the 40 mg strength tablets during December 2008.”

460. But still the Sackler Defendants’ greed was not satiated. After learning of a competitor’s sales increase in June 2009, Richard Sackler demanded to know, “What is

happening????” He was told that the competitor has “500 reps” and “their messaging is ‘we are not OxyContin’ alluding to not having the ‘baggage’ that comes with OxyContin.”

461. The Sackler Defendants responded to this perceived setback by voting to expand Purdue’s sales force yet again as of the very next month. They took this step precisely because “the expansion of last year and the additional 50 reps approved for 2009 will help to increase breadth of coverage and get us closer to [the competition’s] 500 reps.”

462. The Sackler Defendants remained aware that the “baggage that comes with OxyContin” was continuing to take its toll. Yet they refused to cede any ground. In September 2009, in response to a 10-year plan that forecasted OxyContin sales would start declining in 2012 by almost 10% per year, Mortimer Sackler rejected the forecast and challenged whether “other branded competition [would] take away so much business from OxyContin.”

463. Around this time the Sackler Defendants also insisted on receiving weekly, in addition to monthly, reports on opioid sales.

464. And still the Sackler Defendants demanded more from Purdue staff. In November 2009, Richard and Kathe Sackler determined to get their hands on a wealth of sales information, including: “analytics around why/how the proposed increase in share-of-voice translates into sales and profitability growth,” and data to “clarify the situation with respect to OxyContin being used by 35% of new patients, but only retaining 30% of ongoing patients.” Purdue staff dutifully complied with Richard and Kathe Sackler’s wishes.

465. Richard and Kathe Sackler also requested a copy of the “OxyContin McKinsey report on possible ways to increase OxyContin sales and market share.” The McKinsey report suggested strategies to increase sales of OxyContin, and Richard, Mortimer, Kathe, Jonathan,

Beverly, and Theresa Sackler were advised that when these strategies were followed, McKinsey “forecasts a potential incremental increase in sales in the \$200-400mm range.”

### **The Sackler Defendants Directed and Controlled Purdue’s Efforts to Reverse Declining Sales by Introducing a New Opioid Product, Butrans, to the Market**

466. In 2009, sales of OxyContin tablets were \$369,811,000 below forecast.

467. The Sackler Defendants mounted an offensive to address what they considered to be lagging profits. Among other things, they directed the sales force to meet a quota of sales visits, and they monitored compliance with these quotas. The 2010 objective was to “[m]eet or exceed total prescriber call targets of 545,000 with OxyContin in 100% primary position.” The sales visit quotas rose to 712,000 visits in 2011, 752,417 visits in 2012, and 744,777 visits in 2013.

468. In response to the Sackler Defendants’ demands, in 2010 sales staff were told to “improve the daily call average from 6.8 prescribers each day in 2009 to 7.5 in 2010... This has the potential to create efficiency of \$10+ million and increase sales revenue.” The Sackler Defendants closely tracked the number of calls made quarterly, and they also tracked the cost of the sales visits.

469. In June 2010, staff gave the Sackler Defendants an updated 10-year plan. The 10-year plan predicted total net sales to grow from \$2.5 billion in 2010 to \$3.1 billion by 2014, and \$4.4 billion in later years. Notably, the 10-year plan stated that Purdue is expected to “[d]istribute over \$700 million each year, over and above tax distributions.” These planned distributions were to the Sackler Defendants. (*See* Paras. 516-523).

470. A key aspect of this plan was Purdue’s launch of a new opioid product—Butrans—which was marketed as an opioid alternative to non-opioid products such as Tylenol

and Advil. Staff reported to the Sackler Defendants “We see Butrans becoming one of the most significant new analgesic products to be introduced over the next 10 years.”

471. Butrans was indicated for the management of “moderate-to-severe chronic pain in patients requiring a continuous, around-the-clock opioid analgesic for an extended period of time.”

472. In a September 2010 Butrans strategy plan, staff laid out tactics for convincing prescribers to adopt the new drug for their patients. As with OxyContin, the Sackler Defendants were aware of the risks of Butrans. They knew that “nonclinical and clinical data support the conclusion that buprenorphine has significant abuse potential, and that its abuse potential is lower than that of morphine-like opioids.”

473. Still, the Sackler Defendants wanted to aggressively market Butrans, without revealing the drug’s “significant abuse potential.” At one point, the Sackler Defendants even inquired of their staff if sales would be improved if Butrans was sampled directly to physicians.

474. Around this time, the Sackler Defendants also received a report on “Rapidly Increasing Criminal and Civil Monetary Penalties Against the Pharmaceutical Industry.” They were told that, relative to the small amount of financial penalties when compared to pharmaceutical companies’ profits, the future may portend “both increased financial penalties and appropriate criminal prosecution of company leadership.”

475. Richard Sackler attended the Butrans Launch Meeting in January 2011. That same month, he wrote to staff requesting “a briefing on the field experience and intelligence regarding Butrans. How are we doing, are we encountering the resistance that we expected and how well are we overcoming it, and are the responses similar to, better, or worse than when we marketed OxyContin tablets?”

476. In February 2011, the Sackler Defendants were advised that Butrans prescriptions generated in January were nearly twice the January forecast. Not satisfied with this success, the Sackler Defendants still wanted more. Richard Sackler lamented, “I had hoped for better results.”

477. In response to another February 2011 sales report that showed a “51% increase week over week,” Richard Sackler responded, “This could be the beginning of a great story, but it may not be so great, either. Although it is too early to know whether it is one or the other, this itself is a small worry for me as I expected a stronger start than any other product.” He then demanded a “brief review at the Board meeting of the performance, the success to date and the barriers that are emerging that are inhibiting our growth and what is being done to overcome them[.]”

478. In early March 2011 Richard Sackler continued to fixate on Butrans sales. “What do I have to do to get a weekly report on Butrans sales without having to ask for it?” he wrote. “Is there some subscription I should take out?”

479. He soon got his wish. That same month he received a weekly sales report that showed Butrans’ current sales trend would lead to sales exceeding its forecast by 17%. These glowing figures weren’t good enough for Richard Sackler. He responded, “Do you share my disappointment?”

480. Likewise, when staff delivered the weekly report to Richard, Raymond, Mortimer, Jonathan, and Kathe Sackler for the week ending March 4, 2011, showing that Butrans “continue[d] to track well ahead of other Class II/III opioid launches through the first seven weeks of promotion, when compared to their launch results,” and that “[s]pirits are high,

successes continue to come in,” Richard Sackler replies only “What else more can we do to energize the sales and grow at a faster rate?”

481. When staff sent the weekly Butrans sales report to Richard, Raymond, Mortimer, Kathe, Jonathan, and Theresa Sackler for the week ending March 25, 2011, reflecting continued growth in the Butrans market, Mortimer asked: “How do we compare so far to some of our European and other international launches of BuTrans/Norspan?”

[REDACTED]

483. By May 2011, Purdue was still doing billions of dollars in sales, but the demand for OxyContin tablets was declining, particularly the demand for the more profitable higher strengths. Staff reported to the Sackler Defendants that “OxyContin gross sales for 2011 are likely to be in the range of \$3.15 billion- which is \$775 Million and \$325 Million less than the original budget and the March 1 reforecast, respectively.”

484. Sales of Butrans were also worsening. Richard Sackler was so concerned he “strongly suggested” that executive John Stewart and others “go into the field and observe the sales process and efforts first-hand.”

485. At the June 2011 Mid Year Update staff explained to the Sackler Defendants that “40 and 80mg tablet prescriptions [of OxyContin] have decreased significantly. The 10mg and 20mg tablet prescriptions initially increased, but given their lower value not enough to offset the higher strength decline.” The volume of OxyContin dispensed was below mid 2010 levels.

486. The worrisome sales figures sparked new rounds of questioning to staff from the Sackler Defendants: “Mortimer Jr. asked if we should launch an OxyContin AG to capture more cost sensitive patients. Kathe asked us to study the characteristics of patients switching to OxyContin from MSER and other products....Jon asked for market share change over time for opioid medicines over time ---by strength.”

487. Purdue executives were quick to provide explanations on how to correct course, including increasing visits to physicians to sell Butrans. Russell Gasdia wrote to Richard Sackler: “I received the message that you weren’t able to join us for the District Manager Advisory Council luncheon yesterday. I’m providing a top-line overview....The manger’s [sic] all felt that we can improve in our call focus and frequency on high potential subscribers. We are seeing that where we focus our efforts with greater call frequency, we see a great number of Rxs per MD.” Richard Sackler wasn’t impressed. He responded, “It doesn’t sound to me that we have identified specifics that will lead to an improvement in our rate of growth. If that is the case, the[n] we will miss our sales plan by a lot of \$’s. Do you agree?”

488. Worse, it sounded to Richard Sackler like “we are calling on non-high potential prescribers. How can our managers have allowed this to happen?”

489. By June 2011, Richard Sackler was so concerned with the state of affairs that he demanded to go into the field himself with sales reps, and wrote to Russell Gasdia, “Who have you chosen for me to go to the field with the week after the budget meetings? Where are they? Can we conveniently do two reps each day especially if I travel to get to the right place as I probably should do.” Gasdia responds privately to another executive: “LOL- I told him you raised concerns with me. We agree Richard needs to be mum and be anonymous.” Gasdia

writes further after talking with John Stewart about Richard's demand: "John agreed Richard would have to be mum throughout, and not identify himself other than as a home office person."

490. Undeterred, in June or July 2011 Richard Sackler had "field contact" with Purdue Marketing Representative Rebecca Glynn. He was not happy to discover there was a "contraindication" on the Butrans label. He writes to staff: "The issue isn't whether we can promote it. The issue is why is it 'contraindicated' rather than in a less threatening section. It could be in many other sections. Don't you think this is the worst place because it implies a danger of untoward reactions and hazards that simply aren't there to explain when the doctor asks, 'what is the hazard?'"

491. Richard Sackler continued to insert himself directly into the sales process in July 2011, when he considered attending an upcoming convention where Purdue would have promotional booths and educational programs for Butrans and OxyContin.

492. Richard Sackler wasn't the only Sackler intimately involved with Purdue's opioid sales and strategy. When Richard, Raymond, Kathe, Jonathan, and Theresa received their Butrans Weekly Report for the week ending January 27, 2012, they learned that visits to prescribers were down because of a National Sales Meeting, and thus, sales were down. Mortimer Sackler wrote: "Do you feel based on these results that in future years we should not plan the national sales meeting so close following the winter break as it extends the period of time since the doctor last saw our rep? Wouldn't it be better to have the reps get back to work for January and back in front of doctors who enter the new year refreshed and ready to take on new information and challenges and hold the sales meeting the beginning of Feb? At least then the doctors will have gotten at least one reminder visit from our reps in the last month whereas now they might go two months without seeing one of our reps??" Richard shared Mortimer's

concerns but advocated a more extreme solution: “Maybe the thing to have done was not have the meeting at all.”

493. Negative sales trends loomed on the horizon in February 2012, drawing the concern of Purdue staff. In response they began developing plans to reverse those trends, including “planning to roll out some strong titration messages (in addition to the trial Rx program) that will get the new Rx’s up and retain the patients who start on the 5 mcg [of Butrans] by quickly titrating them up and/or using supplemental analgesia appropriately.” Staff was also strategically targeting which doctors received sales calls, noting that “[w]e have done analysis that has shown over the past year that physicians who have received even secondary OxyContin calls had ~15% higher growth than those who did not.”

494. Still, Richard Sackler wasn’t any happier in February 2012, when he received his copy of the Butrans weekly sales report and learned that sales were down given the President’s Day holiday. “This is bad,” he writes. PWG004417498 In fact, he was so “concerned with the trends for both Butrans and OxyContin” that “Donna, his Admin, said he was literally pacing his office.”

495. By then, executives were fed up with the Sackler micromanagement. Executive Russell Gasdia wrote to John Stewart: “This is taking a lot of David’s energy, almost every day. I can assure you that Mike and Windell are fully focused on improving these results. It isn’t constructive to spend too much time on this as opposed to expending energy within my department of identifying the problem, developing the solutions, and gaining implementation. Anything you can do to reduce the direct contact of Richard into the organization is appreciated. I realize he has a right to know and is highly analytical, but diving into the organization isn’t always productive.”

496. John Stewart responded in commiseration, “I work on this virtually every day, some with more success than others.”

497. In the May 13, 2013 Quarterly Report to the Board, the Sackler Defendants learned that sales for the two highest strength and most profitable OxyContin prescriptions, 60mg and 80mg, were below budget. To reverse these trends, Purdue sales reps stressed an “individualize the dose” message, which would pave the way for higher and higher opioid prescriptions. They also continued pushing the OxyContin Patient Savings Program, which gave patients a savings card to reduce out-of-pocket co-pays. Purdue’s analysis demonstrated that patients who redeemed a savings card would stay on opioids longer than those who didn’t.

498. By July 2013 the opioid crisis was full throttle, and Purdue was feeling the effects. As reported to the Sackler Defendants at the July 25, 2013 Board meeting, the “[p]aradigm has shifted to reduced risk tolerance, as opposed to the need for treatment of pain.”

499. Around this time, Purdue hired McKinsey & Company to “conduct a rapid assessment of the underlying drivers of current OxyContin performance, identify key opportunities to increase near-term OxyContin revenue and develop plans to capture priority opportunities.” The McKinsey report confirmed that visits from Purdue sales reps generated more opioid prescriptions. McKinsey urged Purdue to “improve sales through better targeting,” specifically by focusing sales visits on higher value prescribers.

500. Some of the obstacles Purdue began to encounter as the opioid crisis grew were physical shortages of opioids at retail pharmacies and pharmacy refusal to dispense to certain patients. To overcome these obstacles and not let anything deter sales, the Sackler Defendants considered “[e]xploring opportunity to distribute directly” to opioid users.

501. By October 2013, OxyContin sales continued to decline. Mortimer Sackler, copying Kathe, Jonathan, Ilene, Beverly, Theresa, David, Raymond, and Richard Sackler, requested charts showing the breakdown of OxyContin market share by strength against competitors. Staff sent the Sackler Defendants the data, which showed prescription “trends for the higher strengths as well as the product in general are down...and there are fewer patients titrating to the higher strengths from the lower ones.”

[REDACTED]

503. This trend of fewer OxyContin prescriptions and continued shift to lower strengths and fewer tablets per prescription was forecasted to cost the company hundreds of millions of dollars. Nevertheless, the Sackler Defendants were told that a 2014 Objective for the sales force was to achieve 758,164 total prescriber calls, or an increase from 6.9 calls per day to 7.3 calls per day.

504. The Sackler Defendants had long schemed to increase their profits by increasing the length of time patients were prescribed opioids. They now applied this strategy to Butrans. The company launched the “Butrans McKesson Pharmacist Intervention Program” to “reduce patient discontinuation rates and increase patient adherence/compliance.” As staff told the Board in October 2013, one “of the main goals of the program is to help patients, who are appropriate for Butrans, stay on therapy.” The program provided patients with a “series of

individualized coaching sessions focused on addressing personalized adherence barriers to their prescribed medication therapy.”

505. A few months after the McKinsey analysis and report, in December 2013, John Stewart provided some results to Kathe Sackler: “Bu[t]rans has had a fourth consecutive week of hitting a new ‘high,’ and appears poised to break through the 12,000 per week level. OxyContin prescriptions were up slightly, but certainly not to a record level. Also, the growth in OxyContin prescriptions is primarily occurring in the lower strengths....Nevertheless, both trends are more positive than was the case a few months back, and when the E2E Project (the changes arising out of the McKinsey analysis) is fully implemented there will certainly be additional increases.”

506. In late 2013 and throughout 2014, the Sackler Defendants continued to obsessively monitor and try to mitigate the ever-increasing number of negative news reports about opioids.

507. In December 2013 and January 2014, news reports about opioids were circulated to Jonathan Sackler. He sent them to an executive, who responded, “Thanks for sharing. I spoke to Richard just before the year end and raised concerns over our internal documents.”

508. In June 2014 Ilene, Beverly, Theresa, David, Kathe, Raymond, Richard, Jonathan, and Mortimer Sackler received an email from staff entitled “Update on LA Times Mitigation Effort.” The email detailed an effort to mitigate the impact of negative Los Angeles Times (LAT) reporting by “assisting a competing outlet in marginalizing the LAT’s unbalanced coverage by reporting the facts before the LAT story ran.”

509. The negative news coverage did not deter the Sackler Defendants from continuing to direct sales and strategy of Purdue’s opioid products. On December 31, 2014 Richard Sackler

wrote to staff, “I would like to explore very confidentially with you...our longer range price plan for OxyContin tablets. I have a notion that we could do ourselves a world of good by considering a plan for more aggressive pricing increases. . . .”

510. A week later, Richard Sackler sought data within five days on “the unit projections by strength, mg by strength, and mg overall for the whole Oxycontin tablets market (us and AG’s), our pricing expectations by strength. Also, I’d like to [know] the individual strength’s market totals and our share going back[w]ard to 2011 or 12 and then forward to 2019 or 2020...[and] the history of OxyContin tablets from launch to the present.” [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

511. In late 2015, as the Sackler Defendants received word that for 2015 OxyContin was to come in \$217 million over budget, the number one priority for the 2016 budget was to “protect OxyContin share.” At the December 10, 2015 Executive Committee meeting, the Sackler Defendants continued their demands of staff: Jonathan Sackler wanted to discuss R&D capabilities upgrade and a follow-up briefing on OxyContin market impact of CDC guidelines; Kathe Sackler wanted to be involved in the updated 10-year plan; Richard Sackler wanted to be involved in details on analytics used to calculate 2016 mg/tablet trends; and Kathe and Mortimer Sackler wanted productivity data broken out by indication vs. health care provider specialty for each drug.

512. In April 2016, after the CDC issued its guidelines recommending a 90 MME/day limit on opioid prescriptions, the Sackler Defendants reviewed how that recommendation could affect their bottom line in Illinois. Staff informed the Sackler Defendants that, if the guidelines

were followed, Purdue was “at risk” of losing close to 6,000 patients and over 36,000 prescriptions in Illinois, which would have an annual negative impact of more than \$18 million on Purdue.

513. Although the Sackler Defendants had continued their unfair and deceptive practices in the sale and marketing of their opioid products for two decades, by June 2016, at a Mid-Year Update meeting, staff told the Sackler Defendants that the writing was on the wall, as the misconceptions that Purdue had promulgated for years were being exposed, causing a shift in the national discussion on opioids. Staff laid it out succinctly for the Sackler Defendants:

#### Critical Shifts in The National Discussion about Pain And Opioids

From	To
Undertreatment of Pain	Opioid Epidemic
Abuse	Addiction
Criminal	Victim
FDA	CDC
Benefits Outweigh Risks	Lack of Long-Term Evidence
ADFs as Part of Solution	ADF Value Unproven



514. Also in June, the Sackler Defendants learned that the CDC had concluded that “nonpharmacologic therapy and nonopioid pharmacologic therapy are preferred for chronic pain,” and that “three days or less” of opioids often will be sufficient to treat acute pain.

515. By 2017, the company and the Sackler Defendants were aware that the “global Sackler pharmaceutical enterprise is at an inflection point with significant challenges to its

stability, cash flow, and growth potential.” As the Sackler Defendants recognized, the issues facing the business included that “[t]hree distinct business types (branded Rx/Biosimilars, consumer/OTC, generics) are being run through four separate regions (five if Rhodes is included) *with the Board of Directors serving as the ‘de-facto’ CEO*” (emphasis added).

### **The Sackler Defendants Funneled Billions of Dollars from the Company to Themselves**

516. The Sackler Defendants own and direct a complex web of corporate entities, including Purdue Holdings, L.P., PLP Associates Holdings Inc., PLP Associates Holdings L.P., BR Holdings Associates L.P., BR Holdings Associates Inc., Beacon Company, Rosebay Medical Company L.P.

517. Financial distributions to these entities are financial distributions to the Sackler Defendants.

518. Following the criminal convictions in 2007, from 2008 to at least 2016, as the opioid epidemic in Illinois and around the country continued to ravage lives and Defendants faced mounting legal threats to their personal and business interests, the Sackler Defendants voted over and over again to have Purdue distribute billions of dollars to their family through the entities and trusts they control, funneling billions of dollars from the companies to themselves.

519. These distributions were complex and frequently involved multiple levels of distribution.

520. For example, at a single December 2, 2010 meeting of the Board of Directors, the Sackler Defendants voted to approve the following distributions:

- Purdue Pharma L.P. will distribute \$160,794,177 to Purdue Holdings, L.P.;
- Purdue Holdings L.P. will then distribute \$397,966 to Purdue Pharma Inc.;

- Purdue Holdings L.P. will then distribute \$396,211 to PLP Associates Holdings Inc.;
- Purdue Holdings L.P. will then distribute \$160,000,000 to PLP Associates Holdings L.P.;
- PLP Associates Holdings will thereafter distribute \$160,000,000 to BR Holdings Associates L.P.; after which
- BR Holdings Associates L.P. will then distribute \$80,000,000 to Beacon Company, and
- BR Holdings will distribute \$80,000,000 to Rosebay Medical Company L.P.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

522. The following chart depicts merely some of the Sackler Defendants' distributions over the years. Additionally, it only includes the initial level of distribution, and does not show subsequent levels of distribution:

<b>Date</b>	<b>Distributed From</b>	<b>Distributed To</b>	<b>Amount</b>
April 18, 2008	Purdue Pharma, L.P.	PLP Associates Holding, L.P.	<b>\$50,000,000</b>
September 25, 2008	Purdue Pharma, L.P.	PLP Associates Holding, L.P.	<b>\$199,012,182</b>
September 25, 2008	Purdue Pharma, L.P.	PLP Associates Holdings, Inc.	<b>\$492,818</b>
November 6, 2008	Purdue Pharma, L.P.	Beacon Company	<b>\$100,000,000</b>
November 6, 2008	Purdue Pharma, L.P.	Rosebay Medical Company, L.P.	<b>\$100,000,000</b>
March 5, 2009	Purdue Pharma, L.P.	PLP Associates Holding, L.P.	<b>\$200,000,000</b>
March 5, 2009	Purdue Pharma, L.P.	PLP Associates Holdings, Inc.	<b>\$495,264</b>

June 26, 2009	Purdue Pharma, L.P.	PLP Associates Holding, L.P	<b>\$162,000,000</b>
June 26, 2009	Purdue Pharma, L.P.	PLP Associates Holdings, Inc.	<b>\$402,052</b>
September 23, 2009	Purdue Pharma, L.P.	PLP Associates Holding, L.P	<b>\$173,000,000</b>
February 4, 2010	Purdue Pharma, L.P.	PLP Associates Holdings, Inc.	<b>\$586,021</b>
February 4, 2010	Purdue Pharma, L.P.	PLP Associates Holding, L.P	<b>\$236,650,000</b>
April 1, 2010	Purdue Pharma, L.P.	PLP Associates Holdings, Inc.	<b>\$349,161</b>
April 1, 2010	Purdue Pharma, L.P.	PLP Associates Holding, L.P	<b>\$141,000,000</b>
September 10, 2010	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$594,317</b>
September 10, 2010	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$240,000,000</b>
December 2, 2010	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$396,211</b>
December 2, 2010	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$160,000,000</b>
December 2, 2010	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$247,632</b>
December 2, 2010	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$100,000,000</b>
April 6, 2011	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$469,758</b>
April 6, 2011	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$189,700,000</b>
June 24, 2011	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$495,264</b>
June 24, 2011	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$200,000,000</b>
September 1, 2011	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$348,666</b>
September 1, 2011	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$140,800,000</b>
February 15, 2013	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$7,256</b>
February 15, 2013	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$2,930,000</b>
February 19, 2013	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$485</b>
February 19, 2013	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$196,000</b>
October 13, 2014	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$905</b>
October 13, 2014	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$365,246</b>
November 10, 2014	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$2,328</b>
November 10, 2014	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$940,000</b>
November 21, 2014	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$506</b>
November 21, 2014	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$204,000</b>
December 1, 2014	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$142,141</b>
December 1, 2014	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$57,400,000</b>
December 16, 2014	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$38,631</b>
December 16, 2014	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$15,600,000</b>
January 14, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$1,760</b>

January 14, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$710,500</b>
March 26, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$5,349</b>
March 26, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$2,160,000</b>
June 12, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$1,517</b>
June 12, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$612,500</b>
September 8, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$334,303</b>
September 8, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$135,000,000</b>
September 9, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$1,335</b>
September 9, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$539,000</b>
October 26, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$4,891</b>
October 26, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$1,975,000</b>
November 16, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$919</b>
November 16, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$370,930</b>
November 16, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$4,891</b>
November 16, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$1,975,000</b>
November 30, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$148,579</b>
November 30, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$60,000,000</b>
December 10, 2015	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$485</b>
December 10, 2015	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$196,000</b>
January 4, 2016	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$264,966</b>
January 4, 2016	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$107,000,000</b>
January 8, 2016	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$1,395</b>

January 8, 2016	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$563,500</b>
March 21, 2016	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$850</b>
March 21, 2016	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$343,000</b>
April 19, 2016	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$1,902</b>
April 19, 2016	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$441,000</b>
May 18, 2016	Purdue Holdings, L.P.	PLP Associates Holdings, Inc.	<b>\$4,210</b>
May 18, 2016	Purdue Holdings, L.P.	PLP Associates Holding, L.P.	<b>\$1,700,000</b>

523. As noted, the transfers listed above are just some examples of the distributions made at the direction of the Sackler Defendants from Purdue to themselves directly or through the Sackler entities described above. ***In total, from 2008 to at least 2016, the Sackler Defendants, upon information and belief, directed the distribution of more than \$4 billion to themselves and/or the trusts and entities they control. When the Sackler Defendants directed Purdue to transfer money to themselves, they knew and intended to collect money from the sale of opioids in Illinois.***

524. By March 2019, Purdue began threatening to commence bankruptcy proceedings. Purdue's President and CEO, Craig Landau, told the Washington Post that bankruptcy was "an option," stating "[w]e are considering it, but we've really made no decisions on what course of action to pursue. A lot depends on what unfolds in the weeks and months ahead."

525. The Illinois Attorney General filed its lawsuit against Purdue on April 5, 2019. As a result of the Sackler Defendants' unlawful distributions to themselves, assets are no longer available to satisfy Purdue's liabilities, including to the State of Illinois.

**THIRD CAUSE OF ACTION AGAINST THE SACKLER DEFENDANTS**

**VIOLATION OF THE ILLINOIS CONSUMER FRAUD  
AND DECEPTIVE BUSINESS PRACTICES ACT  
(LIABILITY THROUGH ALTER EGO AND/OR DIRECT PARTICIPATION)**

526. The State repeats and realleges Paragraphs 389 through 525 above as if the same were fully set forth herein.

527. The Sackler Defendants are the majority and controlling owners of Purdue. The interest and ownership between the Sackler Defendants and Purdue is so intertwined that the separate personalities of the Sackler Defendants and Purdue do not exist.

528. The Sackler Defendants, by their complete exercise of dominion and control over Purdue, created an alter ego relationship with Purdue such that Purdue was a mere instrumentality of the Sackler Defendants, and the Sackler Defendants were at all times aware of the wrongful conduct of Purdue. Observance of the fiction of separate existence between Purdue and the Sackler Defendants would, under the circumstances, sanction fraud or promote injustice.

529. During all relevant times, the Sackler Defendants were personally involved or actively participated in Purdue's unlawful transactions and conduct alleged above, were in charge of directing corporate policy or controlling corporate decisions relating to Purdue's unlawful transactions and conduct alleged above, and/or specifically directed or authorized the manner in which the transactions and conduct occurred so as to have actively and directly participated in the wrongdoing.

530. While engaged in trade or commerce, the Sackler Defendants committed the following unfair and/or deceptive practices declared unlawful under Section 2 of the Consumer Fraud Act, 815 ILCS 505/2:

- a. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, about the risk of opioid addiction;
- b. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, about the extent to which addiction risk can be managed and addiction prevented;
- c. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, about the ability of abuse-deterrent formulations of Purdue's drugs to lower opioid abuse and addiction risk;
- d. Directing staff to misrepresent, with the intent that prescribers and patients rely on the misrepresentations, the true risk of addiction of Purdue's drugs by deceptively using the terms addiction, dependence, tolerance, physical dependence, and "pseudo addiction,";
- e. Directing staff to misrepresent, with the intent that prescribers and patients rely on those misrepresentations, the symptoms of withdrawal, the challenges entailed in managing those symptoms, and the likelihood or ease with which patients could stop using opioids;
- f. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, about opioids' generally and Purdue's products' ability to improve function and quality of life long-term;

g. Directing staff to misrepresent, with the intent that prescribers and patients rely on those misrepresentations, the duration of pain relief from OxyContin;

h. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, that increased doses of opioids do not pose significant health risks;

i. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, regarding the risks and benefits of Purdue's opioid products compared to those of other opioid products and alternative forms of pain treatment;

j. Directing staff to make misrepresentations and unsubstantiated claims, with the intent that prescribers and patients rely on those misrepresentations, about the risks of opioid use by the elderly;

k. Directing staff to unfairly use a marketing and sales scheme intended to overcome prescriber and patient concerns regarding opioid addiction, contrary to the public policy of combatting opioid drug abuse;

l. Directing staff to unfairly use a marketing and sales scheme intended to keep patients using Purdue's dangerous drugs for as long as possible, contrary to the public policy of combatting opioid drug abuse;

m. Directing staff to unfairly use a marketing and sales scheme intended to increase the doses of its dangerous drugs taken by patients, contrary to the public policy of combatting opioid drug abuse;

n. Directing staff to unfairly influence health care providers' prescription decisions for particular patients in sales calls for which the patient was not present;

o. Directing staff to unfairly target and encourage health care providers with high rates of opioid prescription through in person detailing, dissemination of educational materials and programs, and third-party materials containing misleading statements about the efficacy and risk of opioids. This targeted marketing sought to cause high volume prescribers to continue prescribing at those rates and encouraging additional prescriptions despite observing indications that the health care provider was not meeting the standard of care, and/or that opioids were being diverted or abused, thereby harming the public health;

p. Directing staff to unfairly fail to report and/or conceal from relevant law enforcement and medical regulators and/or otherwise take appropriate action in response to suspicious, excessive, and illegal opioid prescribing practices, while profiting from inflated prescriptions of OxyContin and other Purdue-branded opioids; and

q. Directing staff to unfairly target the vulnerable populations of senior citizens and veterans for the sale of Purdue's dangerous products.

#### **FOURTH CAUSE OF ACTION AGAINST THE SACKLER DEFENDANTS**

##### **FRAUDULENT TRANSFER (740 ILCS 160/5)**

531. The State repeats and realleges the allegations set forth above in Paragraphs 389 through 525 above as if the same were fully set forth herein.

532. The State's litigation against the Sackler Defendants constitutes a claim rendering the State a creditor of the Sackler Defendants within the meaning of the Uniform Fraudulent Transfer Act, 740 ILCS 160/1, *et seq.* (the "Transfer Act").

533. All of the transfers of assets from Purdue to the Sackler Defendants described above constituted transfers under the Transfer Act, and were made with actual intent to hinder, delay, and/or defraud present and future creditors of Purdue, including the State, and/or made without Purdue receiving a reasonably equivalent value in exchange for the transfers when Purdue was engaged in a business for which its remaining assets were unreasonably small in relation to its business and/or when Purdue believed, or reasonably should have believed, that it would incur debts beyond its ability to pay as they became due.

534. At the time of, or shortly before and/or after, assets were transferred from Purdue to the Sackler Defendants (a) the Sackler Defendants were insiders of Purdue as defined by the Transfer Act, (b) Purdue had been sued, or threatened with suit, as a result of the conduct alleged above, (c) Purdue received no equivalent value in return from the Sackler Defendants, (d) Purdue was insolvent, or became insolvent, within the meaning of the Transfer Act, and (e) Purdue incurred substantial debts and liabilities.

535. Accordingly, pursuant to 740 ILCS 160/8, the State is entitled to an attachment or other provisional remedy against the Sackler Defendants regarding the assets transferred to them by Purdue and a judgment: (a) avoiding the transfers to the Sackler Defendants to the extent necessary to satisfy the State's claims; (b) enjoining further transfers from Purdue to the Sackler Defendants; (c) ordering the Sackler Defendants to return the assets transferred or their equivalent value; and (d) any other relief the circumstances may require.

**FIFTH CAUSE OF ACTION AGAINST THE SACKLER DEFENDANTS**

**FRAUDULENT TRANSFER (740 ILCS 160/6)**

536. The State repeats and realleges the allegations set forth above in Paragraphs 389 through 525 above as if the same were fully set forth herein.

537. The State's litigation against the Sackler Defendants constitutes a claim rendering the State a creditor of the Sackler Defendants within the meaning of the Transfer Act.

538. The transfers of assets from Purdue to the Sackler Defendants described above constituted transfers to insiders under the Transfer Act and were made after the State's claims arose, without Purdue receiving equivalent value in exchange for the transfers, and when Purdue was insolvent or became insolvent as a result of the transfers.

539. Accordingly, pursuant to 740 ILCS 160/8, the State is entitled to an attachment or other provisional remedy against the Sackler Defendants regarding the assets transferred to them by Purdue and a judgment: (a) avoiding the transfers to the Sackler Defendants to the extent necessary to satisfy the State's claims; (b) enjoining further transfers from Purdue to the Sackler Defendants; (c) ordering the Sackler Defendants to return the assets transferred or their equivalent value; and (d) any other relief the circumstances may require.

**PRAYER FOR RELIEF (COUNTS III, IV, and V)**

Wherefore, the State prays for the following relief:

A. Finding that the Sackler Defendants violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by engaging in unlawful acts and practices including, but not limited to, the unlawful acts and practices alleged herein;

B. Permanently enjoining the Sackler Defendants from engaging in the unfair and/or deceptive acts or practices described herein;

C. Ordering the Sackler Defendants to pay a civil penalty of \$50,000 per deceptive or unfair act or practice, and an additional amount of \$50,000 for each act or practice found to have been committed with the intent to defraud, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

D. Assessing an additional civil penalty in the amount of \$10,000 per violation found by the Court to have been committed by the Sackler Defendants against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

E. Disgorging all revenues, profits, and gains achieved in whole or in part through the deceptive and unfair acts or practices complained of herein;

F. Requiring full restitution be made to consumers who were harmed by the Sackler Defendants' deceptive and unfair acts or practices;

G. Requiring the Sackler Defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10;

H. Avoiding the transfers to the Sackler Defendants to the extent necessary to satisfy the State's claims;

I. Enjoining further transfers from Purdue to the Sackler Defendants;

J. Ordering the Sackler Defendants to return the assets transferred or their equivalent value; and

K. Providing such other and further relief as justice and equity may require.

THE PEOPLE OF THE STATE OF  
ILLINOIS, by KWAME RAOUL  
ATTORNEY GENERAL OF ILLINOIS

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