



COUNCIL REPORT

DATE: April 14, 2026

CATEGORY: Consent

DEPT.: City Attorney's Office

TITLE: **National Opioid Settlement – Remnant Defendants**

RECOMMENDATION

Authorize the City of Mountain View to participate in the National Opioid Settlement with six regional distributors/dispenser defendants: Associated Pharmacies, Inc (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics) (Six Remnant Defendants), and authorize the City Manager or designee to execute related settlement participation forms and agreements, including, but not limited to, agreement(s) with the state or county for use of settlement proceeds without further Council action.

BACKGROUND

National class action lawsuits against manufacturers, distributors, and other entities responsible for causing or contributing to the opioid epidemic have resulted in large-scale settlements, known as the National Opioid Settlements, involving the payment of billions of dollars to eligible entities, including states, counties, and cities. Most of the funds go directly to participating states and their subdivisions and must be used for abatement of the opioid epidemic.

The City Council has previously approved the City of Mountain View's participation in the National Opioid Settlements with large pharmaceutical distributors, pharmaceutical manufacturers, and pharmacy chains, including CVS, Walgreens, and Wal-Mart, Kroger Co, and Purdue Pharma L.P.

The City was recently notified of additional settlements with six regional distributors/dispensers of opioids: Associated Pharmacies, Inc (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics) ("Six Remnant Defendants"). To participate in these settlements, the City must submit participation documents by May 4, 2026.

ANALYSIS

There is one settlement agreement covering the combined settlement with the Six Remnant Defendants. If approved, the proposed settlement will result in the Six Remnant Defendants paying a combined \$97,625,000 in cash for purposes of abating the opioid epidemic. The City's participation in the settlement would result in a one-time settlement payment, with an allocation of 0.0044600508% of the total settlement, which is about \$4,338. The funds may only be used for eligible opioid abatement activities and related expenditures.

Mountain View's allocation may be delivered to Santa Clara County, as it has been for the prior National Opioid Settlements the City has participated in, because many eligible opioid abatement activities involve changes to medical treatment and prescriptions, counseling services, and recovery services, which are services provided by the County, not the City. However, the City may also retain the funds and use them for approved purposes such as expanding naloxone training for first responders or providing education to law enforcement and other first responders on safe practices and precautions when handling fentanyl and other drugs.

In addition to being required to use the funds for specific opioid abatement activities, the settlement also requires the City to release any and all claims against the Six Remnant Defendants.

FISCAL IMPACT

By participating in this settlement, the City will become eligible to receive approximately \$4,338, which may be directed to the County or retained by the City for approved opioid abatement activities.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

ALTERNATIVES

Do not authorize the City to participate in the National Opioid Settlement with Six Remnant Defendants.

PUBLIC NOTICING—Agenda posting.

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