



**BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL**

# **PRESS RELEASE**

## **Attorney General Frosh Appeals Bankruptcy Court Decision Releasing Members of Sackler Family in Purdue Pharma Bankruptcy**

**BALTIMORE, MD (September 16, 2021)** - Maryland Attorney General Brian E. Frosh announced that his office has appealed a U.S. bankruptcy court's recent decision to approve a Chapter 11 reorganization plan resolving Purdue Pharma's bankruptcy by forcing the State of Maryland to release billions of dollars in legal claims against members of the Sackler family, owners of Purdue Pharma in exchange for only a fraction of their value. More than 15,000 Marylanders have died from opioids-related overdoses over the last decade, including more than 2,500 in 2020. In confirming the plan, the bankruptcy court acknowledged that it had expected a higher settlement. The objecting states believe that the settlement is insufficient to deter future wrongdoing, especially because it allows members of the Sackler family and others to retain billions more from wrongdoing that injured millions of Americans.

"We believe that members of the Sackler family are responsible for untold harm to thousands of Maryland families," said Attorney General Frosh. "They need to be held accountable for the addiction and death that they have caused in our state and around the nation. This bankruptcy plan fails to do that."

At the heart of the appeal is whether the bankruptcy court can force states to grant releases to non-debtors of the police power claims that the states exercise to protect the public from harm. In [2019](#), the Attorney General's Consumer Protection Division brought an enforcement action against Purdue and members of the Sackler family, alleging unfair and deceptive conduct in the marketing of OxyContin and other opioids over more than three decades. Later that year, as the parties were preparing for trial, Purdue filed for bankruptcy and the federal bankruptcy court ordered a halt to all lawsuits against Purdue and the Sacklers. The State of Maryland, along with the states of California, Oregon, Washington, New Hampshire, Vermont, Rhode Island, Connecticut, Delaware, and the District of Columbia did not agree to a settlement under which the Sacklers would pay only a fraction of the amount that they received from Purdue, despite causing trillions of dollars in damages and thousands upon thousands of deaths. The settlement also releases other non-debtor wrongdoers without any contribution from them.

The State's exercise of police powers is protected by the U.S. Constitution and federal law. Maryland and other objecting states contend that the bankruptcy court's confirmation order abrogates the states' ability to protect the public from future harms like the opioid crisis and allows the Sacklers to evade justice without paying sufficient compensation to the public and victims.

The appeal, filed in *In re Purdue Pharma: State of Maryland v. Purdue Pharma, et al.*, is currently expected to be heard by the United States District Court for the Southern District of New York, sitting in White Plains, New York.

<https://www.marylandattorneygeneral.gov/press/2021/091621.pdf>