

4. RESOLUTION AUTHORIZING ENTRY OF SETTLEMENT AGREEMENT IN
PARTIAL SETTLEMENT OF THE NATIONAL PRESCRIPTION OPIATE
LITIGATION



Item Number: 4

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: March 11, 2025

TO: Mark Washington, City Manager

COMMITTEE: City Commission Meeting
LIAISON: N/A

FROM: Anita Hitchcock, City Attorney
Department of Law

SUBJECT: **RESOLUTION AUTHORIZING ENTRY OF SETTLEMENT
AGREEMENT IN PARTIAL SETTLEMENT OF THE NATIONAL
PRESCRIPTION OPIATE LITIGATION
CITY COMMISSION RESOLUTION
SUSPEND THE RULES**

The City of Grand Rapids filed a lawsuit in the United States District Court to address the public nuisance that is the Opioid Epidemic, which named, among other companies, Costco Wholesale Corporation ("Costco"):

The lawsuit was subsequently transferred to the United States District Court in the Northern District of Ohio and centralized as part of *In re National Prescription Opiate Litigation*, MDL 2804; Case No. 1:17-md-2804, which is presided over by the Honorable Dan Aaron Polster, United State Federal District Court Judge;

Very few (less than approximately 100) of the over 4,000 local governments that brought lawsuits included claims against Costco because of their small national and local market shares;

Legal counsel representing Grand Rapids has obtained data for Costco in the Grand Rapids geographic area and determined that Costco's share of prescription opioid sales in the dispensing market in Grand Rapids is extremely small;

Legal counsel representing Grand Rapids has negotiated a small one-time payment with Costco in exchange for the dismissal of Grand Rapids' claims asserted against Costco;

Entry of the Settlement Agreement will enable the City to avoid potentially costly litigation against Costco.

The City of Grand Rapids authorizes the execution of a Master Settlement Agreement with Costco and the related subdivision release form, and dismissal of the City's claims asserted against Costco with prejudice.

**CITY COMMISSION RESOLUTION
SUSPEND THE RULES**

WHEREAS, the City of Grand Rapids filed a lawsuit in the United States District Court to address the public nuisance that is the Opioid Epidemic, which named, among other companies, Costco Wholesale Corporation ("Costco"):

AND WHEREAS the lawsuit was subsequently transferred to the United States District Court in the Northern District of Ohio and centralized as part of *In re National Prescription Opiate Litigation*, MDL 2804; Case No. 1:17-md-2804, which is presided over by the Honorable Dan Aaron Polster, United State Federal District Court Judge;

AND WHEREAS very few (less than approximately 100) of the over 4,000 local governments that brought lawsuits included claims against Costco because of their small national and local market shares;

AND WHEREAS legal counsel representing Grand Rapids has obtained data for Costco in the Grand Rapids geographic area and determined that Costco's share of prescription opioid sales in the dispensing market in Grand Rapids is extremely small;

AND WHEREAS legal counsel representing Grand Rapids has negotiated a small one-time payment OF \$62,931.75 with Costco in exchange for the dismissal of Grand Rapids' claims asserted against Costco;

AND WHEREAS entry of the Master Settlement Agreement will enable the City to avoid potentially costly litigation against Costco.

NOW THEREFORE, the City of Grand Rapids authorizes the execution of a Master Settlement Agreement with Costco and the related subdivision release form, and dismissal of the City's claims asserted against Costco with prejudice.


CORRECT IN FORM
DEPARTMENT OF LAW



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