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U.S. DISTRICT COURT
N.D. OF ALABAMA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
MIDDLE DIVISION

MARSHALL COUNTY, ALABAMA; the Cities of ALBERTVILLE, ARAB, BOAZ and GUNTERSVILLE, ALABAMA; and the Towns of DOUGLAS and GRANT, ALABAMA, Plaintiffs, vs. PURDUE PHARMA L.P.; PURDUE PHARMA INC.;THE PURDUE FREDERICK COMPANY, INC.; TEVA PHARMACEUTICALS USA, INC.; CEPHALON, INC.; JANSSEN PHARMACEUTICALS, INC.; ACTAVIS PHARMA INC.; MCKESSON CORPORATION; CARDINAL HEALTH, INC.; AMERISOURCEBERGEN DRUG CORPORATION; INSYS THERAPEUTICS, INC., Defendants.	)	Case Number: _____ **JURY DEMAND**

COMPLAINT

I. INTRODUCTION

1. The Plaintiffs provide essential services on behalf of their residents, including services for families and children, public assistance, medical assistance, public welfare, law enforcement, and other care and services for the health, safety and welfare of their residents.

2. The Plaintiffs depend on the health, welfare and productivity of their resident workforce to maintain a safe environment and to support the local economy generating revenue to pay taxes for the public good.

3. The term "opioids" include brand-name drugs like OxyContin and Percocet as well as generics like oxycodone and hydrocodone. These drugs are derived from or possess properties similar to opium and heroin, and, as such, they are highly addictive and dangerous. Opioids are regulated by the United States Food and Drug Administration ("FDA") as controlled substances.

4. Opioids are not intended for long-term use. Taken outside limited doses for short-term pain relief, opioids are addictive and destructive.

5. Opioids are effective treatment for short-term post-surgical and trauma-related pain, and for palliative end-of-life care. Opioids are far too addictive and too debilitating for long-term use for chronic non-cancer pain lasting three months or longer ("chronic pain").

6. Opioids have been approved by the FDA for use in the management of moderate to severe pain where use of an opioid analgesic is appropriate for more than a few days. Defendants, however, have manufactured, promoted, and marketed opioids for the management of pain by misleading consumers and medical providers through misrepresentations or omissions regarding the appropriate uses, risks, and safety of opioids.

7. Addiction includes a broad spectrum of substance use disorders ranging from misuse and abuse of drugs to addition. Throughout this Complaint, "addiction" refers to the entire range of substance abuse disorders. Individuals suffer negative consequences wherever they fall on the substance use disorder spectrum.

8. It is commonly understood within the study of pharmacology, medical professionals and research studies by the Defendants, that with prolonged use, the effectiveness of opioids wane over time, requiring increases in doses to achieve pain relief. Usage over time markedly increases the risk of significant side effects and addiction.

9. Defendants knew that controlled studies of the safety and efficacy of opioids were limited to short-term use (*i.e.*, not longer than 90 days) in managed settings (*e.g.*, hospitals) where the risk of addiction and other adverse outcomes was significantly minimized.

10. To date, there have been no long-term studies demonstrating the safety and efficacy of opioids for long-term use. To the contrary, long-term use of opioids is addictive and destructive.

11. The rising numbers of people addicted to opioids have led to significantly increased health care costs as well as a dramatic increase of social problems, including drug abuse and diversion and the commission of criminal acts to obtain opioids throughout the United States.

12. In order to expand the market for opioids and realize increased profits, Defendants sought to create a false perception of the safety and efficacy of opioids in the minds of medical professionals and members of the public that would encourage the use of opioids for longer periods of time and to treat a wide range of problems, including such common aches and pains as lower back pain, arthritis, and headaches.

13. Defendants accomplished the false perception of safety and efficacy through a coordinated, sophisticated, and highly deceptive marketing campaign that began in the late 1990s, became more aggressive in or about 2006, and continues to the present.

14. Defendants accomplished their marketing campaign goal by convincing doctors, patients, and others that the benefits of using opioids to treat chronic pain outweighed the risks, and that opioids could be safely used by most patients.

15. Defendants, individually and collectively, knowing that long-term opioid use causes addiction, misrepresented the dangers of long-term opioid use to physicians, pharmacists, and patients by engaging in a campaign to minimize the risks of, and the encourage, long-term opioid

use.

16. In 2012 alone, opioids generated $8 billion in revenue for drug companies. Of that amount, $3.1 billion went to Purdue for its OxyContin sales. Overall profits collected by the Defendants over the relevant time frame total in the tens of billions of dollars.

17. In 2012, an estimated 2.1 million people in the United States suffered from substance use disorders related to prescription opioid pain relievers. Between 30% and 40% of long-term users of opioids experience problems with opioid use disorders.

18. The National Institutes of Health ("NIH") not only recognize the opioid abuse problem, but also identifies Defendants' "aggressive marketing" as a major cause: "Several factors are likely to have contributed to the severity of the current prescription drug abuse problem. They include drastic increases in the number of prescriptions written and dispensed, greater social acceptability for using medications for different purposes, and *aggressive marketing by pharmaceutical companies*."

19. In 2013, in response to a petition to require manufacturers to strengthen warnings on the labels of long-acting opioid products, the FDA warned of the "grave risks" of opioids, including "addiction, overdose, and even death." The FDA further warned, "[e]ven proper use of opioids under medical supervision can result in life-threatening respiratory depression, coma, and death." Because of those grave risks, the FDA said that long-acting or extended release opioids "should be used only when alternative treatments are inadequate." The FDA required that - going forward - opioid makers of long-acting formulations clearly communicate these risks in their labels.

20. In 2016, the FDA expanded its warnings for immediate-release opioid pain medications, requiring similar changes to the labeling of immediate-release opioid pain medications

as it had for extended release opioids in 2013. The FDA also required several additional safety-labeling changes across all prescription opioid products to include additional information on the risk of these medications.

21. The facts on which the FDA relied in 2013 and 2016 were well known to Defendants in the 1990s when their deceptive marketing began.

22. The Defendants hawked their opioid products in contradiction to the concerns of the FDA by aggressively promoting the idea that opioids should be taken continuously and then even supplementing them with even more opioids in the form of short-acting, rapid onset opioids for episodic pain.

23. The Plaintiffs have incurred and continue to incur costs related to opioid addiction and abuse; including, but not limited to, health care costs, criminal justice and victimization costs, social costs, and lost productivity costs. Defendants' misrepresentations regarding the safety and efficacy of long-term opioid use proximately caused injury to Plaintiffs and their residents.

24. Defendants' marketing campaign has been extremely harmful to Alabamians. Overdoes from prescription pain relievers are a driving factor in a 15-year increase in opioid overdose deaths. Deaths from prescription opioids have also quadrupled since 1999. From 2000 to 2014 nearly half a million people died from such overdoses. Seventy-eight Americans die every day from an opioid overdose.

25. Alabama cities, towns and counties, including the Plaintiffs, have been hit particularly hard by the opioid epidemic. The death rate from drug overdoes has tripled between 1999 and 2015. The DEA found that the 2015 fatal drug overdose rate reached an all time high. The cost to the healthcare system is clear, with the Plaintiffs seeing some of the highest opioid abuse and addiction

hospitalization rates as well.

26. The industry wide opioid conspiracy has resulted in federal prosecution of drug company executives. It has also resulted in administrative fines levied to a number of Defendants. Despite the actions by law enforcement and federal agencies, the wrongful acts by the Defendants continue because of the tremendous profit incentives to their companies through the manufacture, distribution and marketing of opioids.

27. One example of the Defendants' conduct is Insys Therapeutics, Inc., whose former CEO Michael L. Babich and five other former executives and managers are set to go to trial for their actions in relation to a scheme to bribe doctors to prescribe the company's synthetic opioid. Several former Insys employees and health care providers have pleaded guilty to felony charges around the country, including Alabama.

28. Recently, another Defendant McKesson Corporation, admitted that it has failed to maintain control against the improper distribution of prescription opioids and was subjected to a fine of $150,000,000.00 to the Federal Government.[1]

29. As a direct and foreseeable consequence of Defendants' wrongful conduct, Plaintiffs have been required to spend millions of dollars each year in their efforts to combat the public nuisance created by Defendants' deceptive marketing campaign.

II. PARTIES

A. PLAINTIFFS

30. The parties in this case include Alabama cities, towns and a county that have been

[1] See, Settlement and Release between the United States of America and McKesson Corporation, January 17, 2017.

damaged, and continue to be damaged by the Defendants' conduct.

31. Plaintiff Cities and Towns include Albertville, Arab, Boaz, Douglas, Grant and Guntersville, which are municipal corporations organized under the laws of the State of Alabama and all authorized to bring the causes of action herein. Ala. Code § 11-40-1 ("All municipal organizations now existing in the State of Alabama . . . shall sue and be sued . . . Such municipal corporations shall be invested with the full powers, duties, and authority granted in this title."). Plaintiffs are responsible for the public health, safety and welfare of their citizens.

32. The Plaintiff Cities and Towns are specifically authorized to seek common law public nuisance remedies available under Alabama law. *See* Ala. Code §§ 6-5-122 ("All municipalities in the State of Alabama may commence an action in the name of the city to abate or enjoin any public nuisance injurious to the health, morals, comfort, or welfare of the community or any portion thereof."); 11-47-118; ("Municipalities may maintain a civil action to enjoin and abate any public nuisance, injurious to the health, morals, comfort or welfare of the community or any portion thereof."); 11-47-117 ("All cities and towns of this state shall have the power to prevent injury or annoyances from anything dangerous or offensive or unwholesome and to cause all nuisances to be abated and assess the cost of abating the same against the person creating or maintaining the same.").

33. Plaintiff County includes Marshall County that is an Alabama corporate entity provided with the power to sue or be sued in any court of record. Ala. Code § 11-1-2.

34. In the Plaintiff Cities, Towns and County, opioid abuse, addiction, morbidity and mortality has created a serious public health and safety crisis, and is a public nuisance. The delivery, supply and diversion of legally produced controlled substances into the illicit market causes or contributes to this public nuisance.

35. The distribution of opioids into Alabama ("the State"), has created a foreseeable opioid epidemic and opioid public nuisance for which Plaintiffs here seek relief.

36. Plaintiffs directly and foreseeably sustained all economic damages alleged herein. Defendants' conduct has exacted a financial burden for which the Plaintiffs seek relief. Categories of past and continuing sustained damages include, *inter alia*,; (1) costs for providing medical care, additional therapeutic, and prescription drug purchases, and other treatments for patients suffering from opioid-related addiction or disease, including overdoes and deaths; (2) costs for providing treatment, counseling, and rehabilitation services; (3) costs for providing treatment of infants born with opioid-related medical conditions; (4) costs associated with law enforcement and public safety relating to the opioid epidemic; (5) and costs associated with providing care for children whose parents suffer from opioid-related disability or incapacitation. These damages have been suffered, and continue to be suffered directly, by the Plaintiffs.

37. Plaintiffs have standing to recover damages incurred as a result of Defendants' actions and omissions. Plaintiffs have standing to bring all claims pled herein.

B. DEFENDANTS

38. Defendant Purdue Pharma L.P. ("PPL") is a limited partnership organized under the laws of the State of Delaware with its principal place of business in Stamford, Connecticut.

39. Defendant Purdue Pharma, Inc. ("PPI") is a New York corporation with its principal place of business in Stamford, Connecticut.

40. Defendant The Purdue Frederick Company, Inc. ("PFC") as a New York corporation with its principal place of business in Stamford, Connecticut.

41. PPL, PPI, and PFC (collectively, "Purdue") are engaged in the manufacture,

promotion, distribution, and sale of opioids nationally and in the Plaintiff Cities, Towns and County, including OxyContin (Oxycodone hydrochloride extended release), MS Contin (Morphine sulfate extended release), Dilaudid (Hydromorphone hydrochloride), Dilaudid-HP (Hydromorphone hydrochloride), Butrans (Byrenorpine), Hysingla ER (Hyrdrocodone bitrate), and Targiniq ER (Oxycdone hydrocholoride and Naloxone hydrochloride), all of which except Butrans are Schedule II.[2]

42. OxyContin is Purdue's largest-selling opioid. Since 2009, Purdue's national annual sales of OxyContin have fluctuated between $2.47 billion and $2.99 billion, up four-fold from 2006 sales of $800 million. OxyContin constitutes roughly 30% of the entire market for analgesic drugs (*i.e.*, painkillers).

43. Defendant Teva Pharmaceuticals USA, Inc. ("Teva USA") is a Delaware corporation with its principal place of business in North Wales, Pennsylvania. Teva USA is a wholly owned subsidiary of Teva Pharmaceutical Industries, Ltd. ("Teva Ltd."), an Israeli corporation.

44. Defendant Cephalon, Inc. is a Delaware corporation with its principal place of business in Frazer, Pennsylvania. In 2011, Teva Ltd. acquired Cephalon. Inc.

45. Teva USA and Cephalon, Inc. (collectively, "Cephalon") work together to

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[2] Since passage of the Controlled Substances Act ("CSA") in 1970, opioids have been regulated as controlled substances. As controlled substances, they are categorized in live schedules, ranked in order of their potential for abuse, with Schedule I being the most dangerous. The CSA imposes a hierarchy of restrictions on prescribing and dispensing drugs based on their medicinal value, likelihood of addiction or abuse, and safety. Opioids generally have been categorized as Schedule II or Schedule III drugs. Schedule II drugs have a high potential for abuse, have a currently accepted medical use, and may lead to severe psychological or physical dependence. Schedule III drugs are deemed to have a lower potential for abuse, but their abuse still may lead to moderate or low physical dependence or high psychological dependence. Of the Purdue drugs listed above, Butrans is the only Schedule III drug.

manufacture, promote, distribute and sell both brand name and generic versions of the opioids nationally and in Alabama, including Actiq (Fentanyl citrate) and Fentora (Fentanyl citrate tablet), both Schedule II drugs.

46. Teva USA was in the business of selling generic opioids, including a generic form of OxyContin from 2005 to 2009 nationally and in Alabama.

47. Defendant Janssen Pharmaceuticals, Inc. ("Janssen Pharmaceuticals") is a Pennsylvania corporation with is principal place of business in Titusville, New Jersey.

48. Janssen Pharmaceuticals, Inc. was formerly known as Ortho-McNeil-Janssen Pharmaceuticals, Inc., which in turn was formerly known as Janssen Pharmaceutica, Inc.

49. Defendant Ortho-McNeil-Janssen Pharmaceuticals, Inc. ("OMP"), now known as Janssen Pharmaceuticals, Inc., is a Pennsylvania corporation with its principal place of business in Titusville, New Jersey.

50. Janssen Pharmaceuticals, OMP, and Janssen Pharmaceutica (collectively, "Janssen") are or have been engaged in the manufacture, promotion, distribution, and sale of opioids in Alabama for opioid products, including Duragesic (Fentanyl), Nucynta (Tapentadol), and Nucynta ER (Tapentadol extended release), all of which are Schedule 2 drugs.[3]

51. Together, Nucynta and Nucynta ER accounted for $172 million in sales in 2014. Prior to 2009, Duragesic accounted for at least $1 billion in annual sales.

52. Actavis Pharma, Inc., manufactures, promotes, distributes, and sells the branded opioids Kadian (morphine sulfate extended release) in Alabama and within the Plaintiff County. Kadian is a Schedule II drug. Actavis also sells a generic version of Kadian, Duragesic, and Opana.

[3] Depomed, Inc. acquired the rights to Nucynta and Nucynta ER from Janssen in 2015.

Actavis acquired the rights to Kadian from King Pharmaceuticals, Inc., on December 30, 2008 and began marketing Kadian in 2009.

53. Defendant McKesson Corporation ("McKesson") is registered with the Alabama Secretary of State as a Delaware corporation which may be served through its registered agent for service of process, Corporation Service Company, 641 South Lawrence Street, Montgomery, Alabama 36104. McKesson Corporation has its principal place of business located in San Francisco, California. McKesson operates distribution centers in Alabama, including in McCalla, Alabama.

54. McKesson promotes, distributes, and sells opioids manufactured by Manufacturers across the country and, upon information and belief, within Alabama and the Plaintiff County to pharmacies and institutional providers. It had a net income over $1.5 Billion in 2015.

55. Defendant Cardinal Health, Inc. ("Cardinal"') is an Ohio Corporation with its principal office in Dublin, Ohio. Cardinal Health, Inc., operates distribution centers in Alabama, including in Birmingham, Alabama.

56. Defendant AmerisourceBergen Drug Corporation ("Amerisource") is registered with the Alabama Secretary of State as a Delaware Corporation which may be served through its registered agent for service of process, CT Corporation System, 2 North Jackson Street, Suite 605, Montgomery, Alabama 36104. AmerisourceBergen Drug Corporation's principal place of business is located in Chesterbrook, Pennsylvania. AmerisourceBergen Drug Corporation operates distribution centers in Alabama, including in Pelham, Alabama.

57. Defendant Insys Therapeutics, Inc. ("Insys") is a Delaware Corporation with its principal place of business in Scottsdale, Arizona.

58. All Defendants do business by agent in Alabama and are part of a series of

distribution agreements providing opioid drugs to distribution centers, pharmacies, and healthcare professionals through the State of Alabama and in the Plaintiff Cities, Towns and County.

59. The amount in controversy exceeds the jurisdictional minimum of this Court.

60. Venue is proper here because a significant amount of those actions giving rise to the claims for relief arose in this County, and all other related claims are also proper in this venue as additional claims against the named Defendants.

61. This Court has personal jurisdiction over the Defendants because they conduct business in Alabama, directly and through the purposeful direction of their actions towards Alabama and have the requisite minimum contacts with Alabama necessary to constitutionally permit the Court to exercise jurisdiction.

COUNT I
NEGLIGENCE

The Plaintiffs incorporate Paragraphs 1 through 61 as if fully restated and set forth herein.

62. The Defendants owe a duty to use reasonable care to prevent causing harm to the Plaintiffs resulting from the Defendants' marketing, distribution, delivery, and sale of prescription opioids in the State of Alabama and particularly in the Plaintiff Cities, Towns and County.

63. The Defendants also owe a duty to the Plaintiffs to maintain all appropriate licensing in Alabama to distribute prescription opioids, to investigate and report on improper, suspicious and illegal orders, and to prevent and stop any and all illegitimate shipments and distributions of opioids into this State.

64. The Defendants are further under a legal duty to protect the health and welfare of the citizens of Alabama by following federal and state laws concerning misuse and abuse of controlled

substances.[4]

65. Rather than uphold and follow their duties as set forth above, imposed by statute and at common law, the Defendants, individually and collectively, worked to breach their duties, both directly and by subterfuge, artifice and deception. The Defendants' breach of duty in many cases is willful, reckless, wanton and in total disregard of the safety of the public.

66. As a result of the Defendants' breach of their legal duties, Alabama suffers the highest rate of prescription opioid usage in America at an astonishing rate of 142.9 prescriptions per 100 people. Prescription rates of benzodiazepine and other synthetic opioids are at equally high rates in Alabama.

67. The volume of prescription opioids written, sold, shipped and delivered by Defendants to the Plaintiff Cities, Towns and County is beyond the amount that a reasonably prudent corporate entity would provide under similar circumstances given the applicable regulations and knowledge available to the Defendants.

68. The Defendants' marketing and promotion of their opioid prescription drug products is inconsistent and contrary to the actions of reasonably prudent corporate entities under similar circumstances given the applicable knowledge and information of the Defendants that they have created an opioid drug crisis across America and in the Cities, Towns and County named as Plaintiffs in this lawsuit. Instead of exercising caution, issuing reports to federal, state and local governments

[4] Ala. Code §§ 20-2-52, § 20-2-56, § 20-2-57, and Alabama Administrative Code §§ 680-X-3.05, § 680-X-2-.23(k)(3), and laws incorporated therein, including federal controlled substance laws, which are public safety laws. The Alabama Legislature has found that "the division, abuse, and misuse of prescription medications classified as controlled substances under the Alabama Uniform Controlled Substances Act constitutes a serious threat to the health and welfare of the citizens of the State of Alabama." ALA. CODE § 20-2-210.

about out of control opioid distribution and use, the Defendants actively worked to sell and distribute more prescription opioids without regard for the consequences and damages being caused to the Plaintiffs.

69. The Defendants know that there is a strong connection between abuse of prescription opioids and the use of heroin. The strongest and most direct indicator of heroin usage is introduction to, and abuse of, prescription opioids. Government studies have linked the use and abuse of prescription painkillers to the growing use of heroin and the resulting occurrence of overdoes and deaths from heroin.

70. The Defendants' breach of duty and failure to use reasonable care in the distribution, investigation, reporting, marketing, delivery and sale of prescription opioids have led to the resulting heroin abuse and addiction experienced by the citizens of the Plaintiff Cities, Towns and County, in addition to the illegal distribution of prescription opioids in the Plaintiff Cities, Towns and County.

71. As a result of the Defendants' breach of duty and failure to use reasonable care, the Plaintiffs have been and continue to be damaged through the rampant distribution of prescription opioids that the Defendants were under a duty to monitor and control, but instead enabled, expanded and participated in the wrongful distribution of their products.

72. As a proximate result of the Defendants' conduct, the Plaintiffs have been damaged, and will continue to be damaged, and seek full compensatory as well as punitive damages where applicable, for their damages including the following, *to wit*;

- The Plaintiffs have expended substantial sums of money and will face skyrocketing costs for continued treatment and cure of opioid addiction;

- The Plaintiffs have expended resources and funding for treatment facilities, counseling, law enforcement and child and family services all directly related to opioid abuse and addiction;

- The Plaintiffs have and will continue to incur costs for jails, medical treatment and diagnosis of those placed in their care and custody as a result of opioid use, abuse and addiction; and

- The Plaintiffs have suffered, and will continue to incur damages resulting from loss of productivity from its workforce translating to loss of tax revenue and economic development.

- As a proximate result of the Defendants' conduct, the Plaintiffs have sustained, and will continue to have, damages in the form of skyrocketing costs for law enforcement services, costs for treatment and cure of those addicted to opioids and near addiction problems from opioids.

COUNT II
FRAUD AND MISREPRESENTATION

The Plaintiffs incorporate Paragraphs 1 through 72 as if fully restated and set forth herein.

This Count is brought pursuant to Alabama Code §§ 6-5-101 to 6-5-104 (Code, 1975).

73. The Defendants have separately and severally committed misrepresentation, deceit, concealment and fraud. The Defendants have separately and severally committed fraud and misrepresentation through:

- the willful, reckless or mistaken representations of materials facts;

- the suppression of material facts that Defendants were under a duty to communicate;

- the concealment of material facts with the intent to deceive and mislead;

- the misrepresentation of material facts made willfully to induce actions to the Plaintiffs' detriment; and

- the intentional misrepresentation of material facts with knowledge of the falsity of the representations with intent the Plaintiffs would rely on the representations to their detriment.

74. In an effort to mislead the public concerning risks, benefits and safety of prescription opioids, the Defendants worked both individually and in concert to deceptively market and falsely present their products.

75. Similarly to the deceptions inflicted on the American public by the tobacco companies denying the addictive nature of smoking and the serious adverse health effects caused by smoking, the Defendants have worked in concert to minimize the addictive aspects of opioids and the serious adverse consequences of using prescription opioids.

76. Through their actions and marketing efforts to the public, patients and healthcare professionals, including hospitals, doctors and nurses, the Defendants spent millions of dollars to conduct a campaign of fraudulent misrepresentations, including, *to wit*:

- misrepresenting and misleading the truth about opioids and addiction;
- misrepresenting that opioids improve function;
- misrepresenting that opioid dependancy can be managed;
- misrepresented that opioid prescriptions create dependency leading to illegal street drugs;
- misrepresenting that opioids should be used for very short periods of time and not for chronic pain;
- misrepresenting that Defendants had funded alleged "independent research" to support their misrepresentations and fraudulent claims concerning the effectiveness of opioid derivatives to prevent or minimize addiction risks;
- misrepresenting that opioid withdrawal could be easily and simply managed;
- falsely and fraudulently stating that opioid dosage posed no significant risks to patients; and
- falsely and fraudulently suppressing the serious adverse effects of opioids while overstating the risks and potential complications from use of alternative

forms of pain treatment.

77. Defendants' fraud and misrepresentation has exacted a financial burden for which the Plaintiffs seek relief and damages. Categories of past and continuing sustained damages include, *inter alia*,; (1) costs for providing medical care, additional therapeutic, and prescription drug purchases, and other treatments for patients suffering from opioid-related addiction or disease, including overdoes and deaths; (2) costs for providing treatment, counseling, and rehabilitation services; (3) costs for providing treatment of infants born with opioid-related medical conditions; (4) costs associated with law enforcement and public safety relating to the opioid epidemic; (5) and costs associated with providing care for children whose parents suffer from opioid-related disability or incapacitation. These damages have been suffered, and continue to be suffered directly, by the Plaintiffs.

COUNT III
NUISANCE

The Plaintiffs incorporate Paragraphs 1 through 77 as if fully restated and set forth herein.

78. Plaintiff Cities and Towns have standing to pursue nuisance claims against the Defendants for public nuisance pursuant to Ala. Code § 6-5-121 (1975).

79. Plaintiff County has standing to pursue nuisance claims against the Defendants for public nuisance pursuant to Ala. Code § 11-1-2 (1975).

80. The people of the Plaintiff Cities, Towns and County have the right to be protected from dangers to the public health, safety and welfare resulting from a public nuisance.

81. Pursuant to Alabama law, a nuisance includes "anything that works, hurt, inconvenience or damage to another" and a public nuisance is defined as anything "which damages

all persons who come within the spear of its operation, though it may vary in its effects on individuals." Ala. Code § 6-5-121 and 122 (1975).

82. The Defendants, individually as well as acting through their agents, and in concert with one another, have created an opioid epidemic that has created harm, damage and inconvenience to the Plaintiffs and their residents. Although the effects of the nuisance created by the Defendants may vary on individuals within the Plaintiff Cities, Towns and County, the Defendants have created a nuisance, and damaged the public by engaging in the following conduct, *to wit*:

- creating, financing and supporting the distribution of patient and prescriber education materials misrepresenting data concerning the safety efficacy of opioids for long-term treatment of chronic non-cancer pain, including the known rates of abuse and addiction and the lack of validation of the same for long-term efficacy;

- developing and disseminating misleading scientific studies concluding the safety of opioids for long-term treatment of chronic non-cancer pain;

- developing and disseminating misleading scientific studies based on incomplete or inadequate data while concealing facts about the danger of prescription opioids;

- sponsoring, distributing and assisting in the distribution of publications presenting an unbalanced presentation of the long-term dose and dependent risks of opioids versus alternatives;

- creating, sponsoring and distributing patient education materials to consumers containing deceptive statements about opioid use;

- marketing opioid drugs as safe and effective for long-term treatment of chronic pain conditions when they were not safe, for the purpose of deceiving physicians into using and prescribing addictive opioid drugs to their patients;

- distributing brochures to doctors, patients and law enforcement officials that included statements concerning the indicators of possible opioid abuse;

- disseminating misleading statements regarding the true risk of addiction and promoting the concept of pseudoaddiction through Defendants' own

unbranded publications on internet sites, operated by the Defendants, directed to care givers, consumers and healthcare professionals;

- acting intentionally, recklessly and unlawfully in failing to maintain controls against prescription opioid diversion through monitoring, reporting and in recognition of the Defendants' duty to refuse to fill suspicious orders of opioids;

- by refusing to fill suspicious and unwarranted orders of prescription opioids in order to maintain effective controls against drug diversion and unlawfully continuing the ship prescription opioids to the Plaintiff Cities, Towns and County; and

- marketing, distributing and selling prescription opioids which the Defendants knew, or should have known, were being diverted for non-legitimate, non-medical use, with a substantial likelihood of illegal and improper distribution to the public.

83. The Defendants' actions are continuing in nature and as a result of said actions, the Defendants have negatively impacted the right or the citizens of the Plaintiff Cities, Towns and County to live without unreasonable interference to the public health, safety, welfare, peace, comfort and convenience, unreasonable threat of crime, and the right to be free from disturbance without the unreasonable apprehension of danger to personal property resulting from the opioid epidemic.

84. The Defendants' actions, separate and severally, have been, and continue to be, a substantial factor in opioids becoming widely available and widely used for non-medical purposes. The Defendants, separately and severally, have a responsibility, and legal obligation, within the system of opioid distribution to refrain from conduct that would create a widespread nuisance which includes the Plaintiff Cities, Towns and County, creating an enormous public health crisis resulting from the overuse of prescription opioids and heroin.

85. The Defendants' conduct is a direct and proximate cause of death, injury and damage to the residents of the Plaintiff Cities, Towns and County and if allowed to continue, unabated, will

continue to threaten the health, safety and welfare of the Plaintiff Cities, Plaintiff Towns and Plaintiff County.

86. The Defendants' conduct is ongoing and persistent, and the Plaintiffs seek to recover all damages flowing from the Defendants' conduct; including, but not limited to, abatement of the nuisance and all harm created by the Defendants' conduct, *to wit*:

- expenses for police protection;
- expenses for emergency response;
- healthcare costs and expenses (including increased cost of child endangerment, emergency room care and ambulance service);
- criminal prosecution and expenses;
- jail and correctional expenses;
- counseling costs and programs;
- financial costs in caring for addiction treatment;
- loss of value of production and tax based revenue from of a non-opioid dependent workforce;
- direct harm to the Plaintiff Cities and Towns;
- direct harm to the Plaintiff County;
- all damages stemming from opioid related damages to the public health, including law enforcement, city and county financial resources that could otherwise have been put to necessary public use and damages relating to all entitled equitable relief; and
- attorneys' fees and costs.

87. In addition to the compensatory damages sought above for actual damages and abatement damages, Plaintiffs claim the right to be compensated in punitive damages against the

Defendants as a result of their deliberate and intentional actions committed with malice and oppression and with knowledge that their actions would likely result in grave harm.

COUNT IV
DRUG NUISANCE
ALABAMA STATUTE § 6-5-155 *et seq*.

The Plaintiffs incorporate Paragraphs 1 through 87 as if fully restated and set forth herein.

88. It cannot be denied there is an opioid epidemic in America and the epidemic has resulted in increased costs to cities, towns and counties to address public health issues, as well as the added financial costs associated with law enforcement and the legal system.

89. As stated herein, the Defendants' actions in the marketing, presentation, representation, distribution, advertising, and sale of prescription opioids has created consumption of opioid related drugs that has become dangerous and harmful to the public welfare. Prescription opioid abuse has led to increased crime and criminal activity in the State of Alabama, as well as in the Plaintiff Cities, Towns and County.

90. In the Plaintiff Cities, Towns and County, the nationwide opioid epidemic has been especially damaging, impacting people from all walks of life from newborns to the elderly, including all races and socio-economic levels of the population. By their conduct, the Defendants have created a drug related nuisance in the Plaintiff Cities, Towns and County.[5]

91. Alabama recognizes that drugs can have a tremendous negative impact on communities such as the Plaintiffs. The Alabama Code defines a "Drug-Related Nuisance" as the

[5] For purposes of the Drug-Related Nuisance statute, "controlled substance acts" are defined as "[t]he provisions of Sections 20-2-1 et seq., known as the "Alabama Uniform Controlled Substance Act," and Sections 13A-12-201 et seq., known as "The Drug Predator Control Act of 1987," and Sections 13A-12-210 et seq., known as "The Drug Crimes Amendments Act of 1987." ALA. CODE § 6-5-155.1.

"sale, distribution, possession, storage, transportation or manufacture of any controlled substance in violation of the controlled substances acts, or similar act of the United States or any other state" that causes harm to a community. Ala. Code § 6-5-155.

92. There is a duty and corresponding right provided under Alabama law for cities, towns and counties to take action against drug related nuisances to "file an action in the circuit courts of this state to abate, enjoin, and prevent the drug-related nuisance." Ala. Code § 6-5-155(2).

93. The Alabama Uniform Controlled Substance Act, the U.S. Controlled Substances Act and regulations promulgated by the Alabama State Board of Pharmacy proscribe Defendants' manufacture and distribution of opioids while failing to maintain effective controls against diversion. *See, e.g.,* 21 C.F.R. § 1301.74(b); 21 U.S.C. § 823(a)(1), (b)(1); ALA. CODE §§ 20-2-56 and 57; ALA. ADMIN. CODE §680-X-3-.05. This manufacture and distribution in violation of the controlled substance acts or similar act of the United States constitutes a Drug-Related Nuisance. As a result of the drug-related nuisance created by the Defendants, and as elaborated in the preceding paragraphs, the Plaintiff Cities, Towns and County have sustained damages, harm and unreasonable jeopardy to the health, morals, comfort, welfare and safety of their communities and to their residents.

94. The Defendants' conduct is ongoing and persistent, and the Plaintiffs seek to recover all damages flowing from the Defendants' conduct; including, but not limited to, abatement of the nuisance and all harm created by the Defendants' conduct, *to wit*:

- expenses for police protection;
- expenses for emergency response;
- healthcare costs and expenses (including increased cost of child

endangerment, emergency room care and ambulance service);

- criminal prosecution and expenses;
- jail and correctional expenses;
- counseling costs and programs;
- financial costs in caring for addiction treatment;
- loss of value of production and tax based revenue from of a non-opioid dependent workforce;
- direct harm to the Plaintiff Cities and Towns;
- direct harm to the Plaintiff County;
- all damages stemming from opioid related damages to the public health, including law enforcement, city and county financial resources that could otherwise have been put to necessary public use and damages relating to all entitled equitable relief;
- attorneys' fees and costs; and
- daily statutory fines as provided under Alabama law.

§ 6-5-155.7, Ala. Code (1975)

95. In addition to the compensatory and statutory damages sought above for actual damages and abatement costs, Plaintiffs claim the right to be compensated in punitive damages against the Defendants as a result of their deliberate and intentional actions committed with malice and oppression and with knowledge that their actions would likely result in grave harm.

COUNT V
CIVIL CONSPIRACY

The Plaintiffs incorporate Paragraphs 1 through 95 as if fully restated and set forth herein.

96. Alabama law recognizes a civil conspiracy cause of action where multiple parties act

in concert to commit wrongful acts. The Defendants have in the past, and continue through the present, to work in a concerted effort to profit from the sale of prescription opioid drugs through violations of their statutory duties under the Controlled Substances Act, 21 U.S.C. § 801(2), 21 U.S.C. § 821-824 and 21 U.S.C. § 823(6)(1).

97. The Defendants, separately and severally, encouraged their wholesalers and pharmacists to purchase ever increasing amounts of prescription opioids, and to increase their sales volume, by providing them discounts and rebates based upon market share and sales volume. The Defendants worked in concert to incentivize purchases of wholesale prescription opioid drugs so that they could decrease their costs per pill and increase their profits. By decreasing volume purchase prices to high volume distributors and pharmacies, the Defendants' distributors could maintain prescription opioid drug costs while increasing their profits.

98. The Defendants, working clandestinely, incentizied their distributors and pharmacies to boost opioid sales through a series of contractual relationships allowing for the coordination of sales activities, incentives and increased profits.

99. As a result of the Defendants' conspiratorial activities and incentives, the sales volume of prescription opioids increased dramatically, along with revenues, with a corresponding increase of illegitimate, improper and illegal prescription opioids being distributed to the public.

100. Under constant pressure from Defendants to increase sales, wholesale distributors and pharmacies were directed to sell more opioids, fill more "borderline" or suspicious orders, and increase distribution amounts of opioid based prescription drugs to the point that it was obvious to those taking part in the conspiracy that a large amount of the prescription drug sales could not possibly be legitimate, that there could not be any legitimate medical justification for the

skyrocketing opioid sales, and that opioid distribution was exponentially exceeding reasonable limits.

101. Defendants' statutory duties of reporting unusual sales, suspect transactions and unlawful diversion of dangerous controlled substances, were (and are) being ignored. The Defendants and their distributors were on notice from the United States Government that repeated DEA enforcement actions were being conducted in the State of Alabama, and that a vast amount of prescription opioids were being abused and diverted in the State of Alabama, and the Defendants' legal obligations to maintain "effective controls" to prevent the illegal sale and distribution of prescription opioid drugs were being ignored and overlooked.

102. Ignoring their legal and statutory duties, the Defendants not only disregarded danger signs, but advanced policies and procedures to cover up their illegal (but highly profitable) conduct in a conspiracy to sell more prescription opioids. In disregard of the facts indicating an opioid epidemic, the Defendants have continued their "aggressive marketing" practices.

103. To justify the alarming number of opioids distributed across America and within Alabama, the Defendants advanced their conspiracy through the misrepresentation of their products including the public's need for opioids and the lack of legitimate reasons for skyrocketing consumption numbers, including, *to wit*:

- misrepresenting and misleading the truth behind increasing sales and opioid addiction;
- misrepresenting that opioids improve patient function;
- misrepresenting that opioid dependancy can be effectively managed;
- misrepresenting that opioid prescriptions create dependency leading to illegal street drug consumption;

- misrepresenting that opioids should be used for very short periods of time and not for chronic pain;

- misrepresenting that Defendants had funded alleged "independent research" to support their misrepresentations and fraudulent claims concerning the effectiveness of opioid derivatives to prevent or minimize addiction risks;
- misrepresenting that opioid withdrawal could be easily and simply managed;

- falsely and fraudulently stating that opioid dosage posed no significant risks to patients; and

- falsely and fraudulently suppressing the serious adverse effects of opioids while overstating the risks and potential complications from use of alternative forms of pain treatment.

104. Defendants' conspiracy has exacted a financial burden for which the Plaintiffs seek relief and damages. Categories of past and continuing sustained damages include, *inter alia*,; (1) costs for providing medical care, additional therapeutic, and prescription drug purchases, and other treatments for patients suffering from opioid-related addiction or disease, including overdoes and deaths; (2) costs for providing treatment, counseling, and rehabilitation services; (3) costs for providing treatment of infants born with opioid-related medical conditions; (4) costs associated with law enforcement and public safety relating to the opioid epidemic; (5) and costs associated with providing care for children whose parents suffer from opioid-related disability or incapacitation. These damages have been suffered, and continue to be suffered directly, by the Plaintiffs.

COUNT VI
WANTON-INTENTIONAL CONDUCT
PUNITIVE DAMAGES

The Plaintiffs incorporate Paragraphs 1 through 104 as if fully restated and set forth herein.

105. The Defendants' actions, separately and severally, are the product of their conscious disregard of the rights and safety of the Plaintiffs and their residents, with the attendant awareness

that harm will (and has) likely result from the Defendants' actions.

106. The actions of the Defendants are set forth in the preceding counts and paragraphs of this Complaint and are incorporated herein by reference. The Defendants' actions are willful, wanton, intentional and committed with reckless disregard for the safety of the Plaintiffs.

107. The conduct of the Defendants has been, and continues to be, willful as defined by Alabama law such that Defendants were aware that their actions, as well as their failure to act in stopping and preventing improper opioid distribution, would cause harm to the public.

108. While the Defendants may not have intended harm to the specific named Plaintiffs in this case, the Defendants knew their breach of their legal duties would cause great harm to the American public and Alabamians in particular yet they proceeded in their efforts to distribute and sell prescription opioids in disregard of the Plaintiffs' health, welfare and safety.

109. The actions of the Defendants, separately and severally, have combined and concurred to harm the Plaintiffs, and the actions of the Defendants have all contributed to cause the Plaintiffs' damages.

110. The actions of the Defendants have, and continue to be, carried on with a reckless and/or conscious disregard for the rights, welfare and safety of the Plaintiffs.

111. The actions of the Defendants have, and continue to be, the source of unjust hardship on the Plaintiffs and their residents.

112. The actions of the Defendants have, and continue to be, wrongful actions without just cause or excuse.

113. The Plaintiffs demand judgment from the Defendants in an amount of money sufficient to punish the Defendants for their wrongful conduct and to protect the public by deterring

and discouraging the Defendants and others from doing the same or similar wrongs in the future.

COUNT VII
RACKETEER-INFLUENCED AND CORRUPT ORGANIZATIONS ACT
18 U.S.C. 1961, *et seq*.

The Plaintiffs incorporate Paragraphs 1 through 113 as if fully restated and set forth herein.

114. Plaintiffs bring this Count against the following Defendants, as defined above: Purdue, Cephalon, Janssen, Actavis, McKesson, Cardinal and AmerisourceBergen (collectively, for purposes of this Count, the "RICO Defendants").

115. The RICO Defendants conducted and continue to conduct their business through legitimate and illegitimate means in the form of an association-in-fact enterprise and/or a legal entity enterprise. At all relevant times, the RICO Defendants were "persons" under 18 U.S.C. § 1961(3) because they are entities capable of holding, and do hold, "a legal or beneficial interest in property."

116. Section 1962(c) of RICO makes it unlawful "for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt." 18 U.S.C. § 1962(c); *United States v. Turkette*, 452 U.S. 576, 580 (1981).

117. The term "enterprise" includes "any individual, partnership, corporation, association, or other legal entity, and any union or group of individuals associated in fact although not a legal entity." 18 U.S.C. § 1961(4); *Turkette*, 452 U.S. at 580; *Boyle v. U.S.*, 556 U.S. 938, 944 (2009). The definition of "enterprise" in Section 1961(4) includes legitimate and illegitimate enterprises within its scope.

118. The RICO Defendants aggressively sought to build their revenue, increase profit and

grow their share of the prescription painkiller market by unlawfully and surreptitiously increasing the volume of opioids they sold. However, the RICO Defendants are not permitted to engage in a limitless expansion of their market through the unlawful sales of regulated painkillers. As "registrants," the RICO Defendants operated and continue to operate within the "closed system" created under the Controlled Substances Act, 21 U.S.C. § 821, *et seq.* (the "CSA"). The CSA restricts the RICO Defendants' ability to manufacture or distribute Schedule II substances like opioids by requiring them to: (1) register to manufacture or distribute opioids; (2) maintain effective controls against diversion of the controlled substances that they manufacturer or distribute; (3) design and operate a system to identify suspicious orders of controlled substances, halt such unlawful sales and report them to the DEA; and (4) make sales within a limited quota set by the DEA for the overall production of Schedule II substances like opioids.

119. The Opioid Diversion Enterprise (as defined below) systematically and fraudulently violated their statutory duty to maintain effective controls against diversion of their drugs, to design and operate a system to identify suspicious orders of their drugs, to halt unlawful sales of suspicious orders and to notify the DEA of suspicious orders.[6] The RICO Defendants placed hundreds of millions of pills into the illicit market, which allowed them to generate obscene profits, by the unlawful sales of opioids.

120. Each of the RICO Defendants were associated with and conducted or participated in the affairs of the RICO enterprise (defined below and referred to collectively as the "Opioid Diversion Enterprise"), the purpose of which was to engage in the unlawful sales of opioids, while deceiving the public and federal and state regulators into believing that the RICO Defendants were

[6] 21 U.S.C. § 823(a)(1), (b)(1); 21 C.F.R. § 1301.74(b)-(c).

fulfilling their statutory obligations. As a direct result of the RICO Defendants' fraudulent scheme, course of conduct and pattern of racketeering activity, they were able to extract billions of dollars of revenue from the American public, the RICO Defendants' misconduct violated Section 1962(c), and 18 U.S.C. § 1964(c) entitles Plaintiffs to treble damages for its injuries.

121. The RICO Defendants were members of a legal entity enterprise within the meaning of 18 U.S.C. § 1961(4), through which the RICO Defendants conducted their pattern of racketeering activity in this jurisdiction and throughout the United States. The Healthcare Distribution Alliance (the "HDA")152 is a distinct legal entity that satisfies the definition of a RICO enterprise. The HDA is a non-profit corporation formed under the laws of the District of Columbia and doing business in Virginia. As a non-profit corporation, HDA qualifies as an "enterprise" within the definition set out in 18 U.S.C. § 1961(4) because it is a corporation and a legal entity.

122. Each of the RICO Defendants is a legal entity separate and distinct from the HDA. Additionally, the HDA serves the interests of distributors and manufacturers beyond the RICO Defendants. Therefore, the HDA exists separately from the Opioid Diversion Enterprise, and each of the RICO Defendants exists separately from the HDA. Therefore, the HDA may serve as a RICO enterprise.

123. The legal and association-in-fact enterprises alleged in the previous and subsequent paragraphs were each used by the RICO Defendants to conduct the Opioid Diversion Enterprise by engaging in a pattern of racketeering activity. Therefore, the legal and association-in-fact enterprises alleged in the previous and subsequent paragraphs are pleaded in the alternative and are collectively referred to as the "Opioid Diversion Enterprise."

A. THE OPIOID DIVERSION ENTERPRISE

124. The United States Congress enacted the Controlled Substances Act in 1970.[7] The CSA and its implementing regulations created a closed system of distribution for all controlled substances. The closed chain of distribution was intended to prevent the diversion of legally produced controlled substances into the illicit market. Congress specifically designed the closed system to ensure that there are multiple ways of identifying and preventing diversion through active participation by registrants within the drug delivery chain. All registrants – manufacturers and distributors alike – must adhere to the specific security, recordkeeping, monitoring and reporting requirements that are designed to identify or prevent diversion. When registrants at any level fail to fulfill their obligations, the necessary checks and balances collapse. The result is the scourge of addiction that has occurred.

125. The closed system created by the CSA required the DEA determine quotas of each basic class of Schedule I and II controlled substances each year. The quota system was intended to reduce or eliminate diversion from "legitimate channels of trade" by controlling the "quantities of the basic ingredients needed for the manufacture of [controlled substances] and requiring order forms for all transfers of these drugs." The DEA published suggested questions that a distributor should ask prior to shipping controlled substances, in order to "know their customers."

126. It is unlawful for a registrant to manufacture a controlled substance in Schedule II, like prescription opioids, that is (1) not expressly authorized by its registration and by a quota assigned to it by DEA or (2) in excess of a quota assigned to it by the DEA.

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[7] Joseph T. Rannazzisi Decl. ¶ 4, *Cardinal Health, Inc. v. Eric Holder, Jr., Attorney General*, D.D.C. Case No. 12-cv-185 (Document 14-2 February 10, 2012).

127. At all relevant times, the RICO Defendants operated as an association-in-fact enterprise formed for the purpose of unlawfully increasing sales, revenues and profits by disregarding their statutory duty to identify, investigate, halt and report suspicious orders of opioids and diversion of their drugs into the illicit market in order to unlawfully increase the quotas set by the DEA and allow them to collectively benefit from the unlawful formation of a greater pool of prescription opioids from which to profit. The RICO Defendants conducted their pattern of racketeering activity in this jurisdiction and throughout the United States through this enterprise.[8]

128. At all relevant times, the Opioid Diversion Enterprise: (a) had an existence separate and distinct from each RICO Defendant; (b) was separate and distinct from the pattern of racketeering in which the RICO Defendants engaged; (c) was an ongoing and continuing organization consisting of legal entities, including each of the RICO Defendants; (d) was characterized by interpersonal relationships among the RICO Defendants; (e) had sufficient longevity for the enterprise to pursue its purpose; and (f) functioned as a continuing unit. *Turkette,* 452 U.S. at 580; *Boyle,* 556 U.S. at 944 (2009). Each member of the Opioid Diversion Enterprise participated in the conduct of the enterprise, including patterns of racketeering activity, and shared in the astounding growth of profits supplied by fraudulently inflating opioid sales generated as a result of the Opioid Diversion Enterprise's disregard for their duty to prevent diversion of their drugs into the illicit market and requests that the DEA increase production quotas, all so that the RICO Defendants would have a larger pool of prescription opioids from which to profit.

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[8] The opioid epidemic has its origins in the mid-1990s when, between 1997 and 2007, per capita purchase of methadone, hydrocodone and oxycodone increased 13-fold, 4-fold and 9 fold, respectively. By 2010, enough prescription opioids were sold in the United States to medicate every adult in the country with a dose of 5 milligrams of hydrocodone every 4 hours for 1 month. Am J Public Health 2014; 104(2):e52-9.

129. The Opioid Diversion Enterprise functioned by selling prescription opioids. The RICO Defendants, through their illegal enterprise, engaged in a pattern of racketeering activity that involves a fraudulent scheme to increase revenue by violating State and Federal laws requiring the maintenance of effective controls against diversion of prescription opioids and the identification, investigation and reporting of suspicious orders of prescription opioids destined for the illicit drug market.

130. The Opioid Diversion Enterprise engaged in, and its activities affected, interstate and foreign commerce because the enterprise involved commercial activities across state lines, such as manufacture, sale, distribution and shipment of prescription opioids throughout the country and this jurisdiction and the corresponding payment and/or receipt of money from the sale of the same.

131. The Opioid Diversion Enterprise used their interpersonal relationships and communication network for the purpose of conducting the enterprise through a pattern of racketeering activity. Each of the RICO Defendants had a systematic link to each other through joint participation in lobbying groups, trade industry organizations, contractual relationships and continuing coordination of activities. The RICO Defendants participated in the operation and management of the Opioid Diversion Enterprise by directing its affairs, as described herein.

132. The Healthcare Distribution Alliance ("HDA") led to the formation of interpersonal relationships and an organization between the RICO Defendants. Although the entire HDA membership directory is private, the HDA website confirms that each of the Distributor Defendants and the Manufacturer Defendants named in the Complaint, were members of the HDA.[174] Additionally, the HDA and each of the Distributor Defendants eagerly sought the active membership and participation of the Manufacturer Defendants by advocating that one of the benefits of

membership included the ability to develop direct relationships between Manufacturers and Distributors at high executive levels.

133. The HDA touted the benefits of membership to the Manufacturer Defendants, advocating that membership included the ability to, among other things, "network one on one with manufacturer executives at HDA's members-only Business and Leadership Conference," "networking with HDA wholesale distributor members," "opportunities to host and sponsor HDA Board of Directors events," "participate on HDA committees, task forces and working groups with peers and trading partners" and "make connections." The HDA and the Distributor Defendants believed that membership in the HDA was an opportunity to create interpersonal and ongoing organizational relationships between the Manufacturers and Defendants.

134. There are two types of memberships in the HDA; manufacturer and distributor. The application for manufacturer membership in the HDA further indicates the level of connection that existed between the RICO Defendants. A "senior company executive" must sign the manufacturer membership application, and it requests that the manufacturer applicant identify a key contact and any additional contacts from within its company. The HDA application also requests that the manufacturer identify its current distribution information and its most recent year-end net sales through any HDA distributors. After becoming members, the Distributors and Manufacturers were eligible to participate on councils, committees, task forces and working groups.

135. The councils, committees, task forces and working groups provided the Manufacturer and Distributor Defendants with the opportunity to work closely together in shaping their common goals and forming the enterprise's organization. The HDA also offers a multitude of conferences, including annual business and leadership conferences. The HDA and the Distributor Defendants

advertise these conferences to the Manufacturer Defendants as an opportunity to "bring together high-level executives, thought leaders and influential managers . . . to hold strategic business discussions on the most pressing industry issues." The conferences also gave the Manufacturer and Distributor Defendants "unmatched opportunities to network with [their] peers and trading partners at all levels of the healthcare distribution industry."

136. The RICO Defendants maintained their interpersonal relationships by working together, exchanging information and driving the unlawful sales of their opioids through their contractual relationships, including chargebacks and vault security programs.

137. The Manufacturer Defendants engaged in an industry-wide practice of paying rebates and/or chargebacks to the Distributor Defendants for sales of prescription opioids. As reported in the Washington Post, identified by Senator McCaskill and acknowledged by the HDA, there is an industry-wide practice whereby the Manufacturers paid the Distributors rebates and/or chargebacks on their prescription opioid sales.[191] On information and belief, these contracts were negotiated at the highest levels, demonstrating ongoing relationships between the Manufacturer and Distributor Defendants. In return for the rebates and chargebacks, the Distributor Defendants provided the Manufacturer Defendants with detailed information regarding their prescription opioid sales, including purchase orders, acknowledgements, ship notices, and invoices. The Manufacturer Defendants used this information to gather high-level data regarding overall distribution and direct the Distributor Defendants on how to most effectively sell the prescription opioids.

138. The Manufacturer and Distributor Defendants were not two separate groups operating in isolation or two groups forced to work together in a closed system. The RICO Defendants operated together as a united entity, working together on multiple fronts, to engage in the unlawful

sale of prescription opioids. The HDA and the Pain Care Forum are but two examples of the overlapping relationships, and concerted joint efforts to accomplish common goals and demonstrates that the leaders of each of the RICO Defendants were in communication and cooperation.

139. The RICO Defendants began working together as early as 2006 through the Pain Care Forum and/or the HDA to promote the common purpose of their enterprise. Plaintiff are informed and believe that the RICO Defendants worked together as an ongoing and continuous organization throughout the existence of their enterprise.

140. From 2006 to 2016, the Distributors and Manufacturers worked together through the Pain Care Forum to spend over $740 million lobbying in the nation's capital and in all 50 statehouses on issues including opioid-related measures. Similarly, the HDA has continued its work on behalf of Distributors and Manufacturers, without interruption, since at least 2000, if not longer.

B. CONDUCT OF THE OPIOID DIVERSION ENTERPRISE

141. During the time period alleged in this Complaint, the RICO Defendants exerted control over, conducted and/or participated in the Opioid Diversion Enterprise by fraudulently failing to comply with their Federal and State obligations to identify, investigate and report suspicious orders of opioids in order to prevent diversion of those highly addictive substances into the illicit market and to halt such unlawful sales so as to increase production quotas and generate unlawful profits, as follows:

142. Defendants disseminated false and misleading statements to the public claiming that they were complying with their obligations to maintain effective controls against diversion of their prescription opioids.

143. Defendants disseminated false and misleading statements to the public claiming that they were complying with their obligations to design and operate a system to disclose to the registrant suspicious orders of their prescription opioids.

144. Defendants disseminated false and misleading statements to the public claiming that they were complying with their obligation to notify the DEA of any suspicious orders or diversion of their prescription opioids.

145. Defendants paid nearly $800 million dollars to influence local, state and federal governments through joint lobbying efforts as part of the Pain Care Forum. The RICO Defendants were all members of their Pain Care Forum either directly or indirectly through the HDA. The lobbying efforts of the Pain Care Forum and its members included efforts to pass legislation making it more difficult for the DEA to suspend and/or revoke the Manufacturers' and Distributors' registrations for failure to report suspicious orders of opioids.

146. The RICO Defendants exercised control and influence over the distribution industry by participating and maintaining membership in the HDA.

147. The RICO Defendants applied political and other pressure on the DOJ and DEA to halt prosecutions for failure to report suspicious orders of prescription opioids and lobbied Congress to strip the DEA of its ability to immediately suspend registrations pending investigation by passing the "Ensuring Patient Access and Effective Drug Enforcement Act.

148. The RICO Defendants engaged in an industry-wide practice of paying rebates and chargebacks to incentivize unlawful opioid prescription sales. Plaintiffs are informed and believe that the Manufacturer Defendants used the chargeback program to acquire detailed, high-level data regarding sales of the opioids they manufactured. Additionally, Plaintiffs are informed and believe

that the Manufacturer Defendants used this high-level information to direct the Distributor Defendants' sales efforts to regions where prescription opioids were selling in larger volumes.

149. The Manufacturer Defendants lobbied the DEA to increase Aggregate Production Quotas year after year by submitting net disposal information that the Manufacturer Defendants knew included sales that were suspicious and involved the diversion of opioids the RICO Defendants had not properly investigated or reported.

150. The Distributor Defendants developed "know your customer" questionnaires and files. This information, compiled pursuant to comments from the DEA in 2006 and 2007, was intended to help the RICO Defendants identify suspicious orders or customers who were likely to divert prescription opioids. On information and belief, the "know your customer" questionnaires informed the RICO Defendants of the number of pills that the pharmacies sold, how many non-controlled substances they sold compared to controlled substances, whether the pharmacy buys from other distributors, and the types of medical providers in the area, including pain clinics, general practitioners, hospice facilities, cancer treatment facilities, among others, and these questionnaires put the recipients on notice of suspicious orders.

151. The RICO Defendants refused to identify, investigate and report suspicious orders to the DEA when they became aware of the same despite their actual knowledge of drug diversion rings. The RICO Defendants refused to identify suspicious orders and diverted drugs despite the DEA issuing final decisions against the Distributor Defendants in 178 registrant actions between 2008 and 2012 and 117 recommended decisions in registrant actions from The Office of Administrative Law Judges. These numbers include 76 actions involving orders to show cause and 41 actions involving immediate suspension orders -- all for failure to report suspicious orders.

152. Defendants' scheme had a decision-making structure driven by the Manufacturer Defendants and corroborated by the Distributor Defendants. The Manufacturer Defendants worked together to control the State and Federal Government's response to the manufacture and distribution of prescription opioids by increasing production quotas through a systematic refusal to maintain effective controls against diversion and identify suspicious orders and report them to the DEA.

153. The RICO Defendants worked together to control the flow of information and influence state and federal governments and political candidates to pass legislation that was proopioid. The Manufacturer and Distributor Defendants did this through their participation in the Pain Care Forum and Healthcare Distributors Alliance.

154. The RICO Defendants also worked together to ensure that the Aggregate Production Quotas, Individual Quotas and Procurement Quotas allowed by the DEA stayed high and ensured that suspicious orders were not reported to the DEA. By not reporting suspicious orders or diversion of prescription opioids, the RICO Defendants ensured that the DEA had no basis for refusing to increase or decrease the production quotas for prescription opioids due to diversion of suspicious orders.

155. The scheme the RICO Defendants devised and implemented amounted to a common course of conduct characterized by a refusal to maintain effective controls against diversion, and all designed and operated to ensure the continued unlawful sale of controlled substances.

C. PATTERN OF RACKETEERING ACTIVITY

156. The RICO Defendants conducted and participated in the conduct of the Opioid Diversion Enterprise through a pattern of racketeering activity as defined in 18 U.S.C. § 1961(B), including mail fraud (18 U.S.C. § 1341) and wire fraud (18 U.S.C. § 1343) and (18 U.S.C. §

1961(D)) by the felonious manufacture, importation, receiving, concealment, buying, selling or otherwise dealing in a controlled substance or listed chemical (as defined in section 102 of the Controlled Substance Act), punishable under any law of the United States.

1. The RICO Defendants Engaged in Mail and Wire Fraud

157. The RICO Defendants carried out, or attempted to carry out, a scheme to defraud federal and state regulators and the American public by knowingly conducting or participating in the conduct of the Opioid Diversion Enterprise through a pattern of racketeering activity within the meaning of 18 U.S.C. § 1961(1) that employed the use of mail and wire facilities, in violation of 18 U.S.C. § 1341 (mail fraud) and § 1343 (wire fraud).

158. The RICO Defendants committed, conspired to commit and/or aided and abetted in the commission of at least two predicate acts of racketeering activity (*i.e.*, violations of 18 U.S.C. §§ 1341 and 1343) within the past ten years. The multiple acts of racketeering activity that the RICO Defendants committed, or aided and abetted in the commission of, were related to each other, posed a threat of continued racketeering activity, and therefore constitute a "pattern of racketeering activity." The racketeering activity was made possible by the RICO Defendants' regular use of the facilities, services, distribution channels and employees of the Opioid Diversion Enterprise. The RICO Defendants participated in the scheme to defraud by using mail, telephone and the internet to transmit mailings and wires in interstate or foreign commerce.

159. The RICO Defendants used, directed the use of and/or caused to be used thousands of interstate mail and wire communications in service of their scheme through virtually uniform misrepresentations, concealments and material omissions regarding their compliance with their mandatory reporting requirements and the actions necessary to carry out their unlawful goal of

selling prescription opioids without reporting suspicious orders or the diversion of opioids into the illicit market.

160. In devising and executing the illegal scheme, the RICO Defendants devised and knowingly carried out a material scheme and/or artifice to defraud by means of materially false or fraudulent pretenses, representations, promises or omissions of material facts. For the purpose of executing the illegal scheme, the RICO Defendants committed these racketeering acts, which number in the thousands, intentionally and knowingly with the specific intent to advance the illegal scheme.

161. The RICO Defendants' predicate acts of racketeering (18 U.S.C. § 1961(1)) include, but are not limited to:

a. Mail Fraud: The RICO Defendants violated 18 U.S.C. § 1341 by sending or receiving, or by causing to be sent and/or received, materials via U.S. mail or commercial interstate carriers for the purpose of executing the unlawful scheme to design, manufacture, market and sell the prescription opioids by means of false pretenses, misrepresentations, promises and omissions.

b. Wire Fraud: The RICO Defendants violated 18 U.S.C. § 1343 by transmitting and/or receiving, or by causing to be transmitted and/or received, materials by wire for the purpose of executing the unlawful scheme to design, manufacture, market and sell the prescription opioids by means of false pretenses, misrepresentations, promises and omissions.

162. The RICO Defendants' use of the mail and wires includes, but is not limited to, Manufacturers, Distributors or third parties that were foreseeably caused to conduct the transmission, delivery or shipment of the following as a result of the RICO Defendants' illegal scheme, including but not limited to:

a. The prescription opioids themselves;

b. Documents and communications that facilitated the manufacture, purchase and unlawful sale of prescription opioids;

c. Defendants' DEA registrations;

d. Documents and communications that supported and/or facilitated Defendants' DEA registrations;

e. Documents and communications that supported and/or facilitated the Defendants' request for higher aggregate production quotas, individual production quotas and procurement quotas;

f. Defendants' records and reports that 21 U.S.C. § 827 required Defendants to submit to the DEA;

g. Documents and communications related to the Defendants' mandatory DEA reports pursuant to 21 U.S.C. § 823 and 21 C.F.R. § 1301.74;

h. Documents intended to facilitate the manufacture and distribution of Defendants' prescription opioids, including bills of lading, invoices, shipping records, reports and correspondence;

i. Documents for processing and receiving payment for prescription opioids;

j. Payments from the Distributors to the Manufacturers;

k. Rebates and chargebacks from the Manufacturers to the Distributors;

l. Payments to Defendants' lobbyists through the Pain Care Forum;

m. Payments to Defendants' trade organizations, like the HDA, for memberships and/or sponsorships;

n. Deposits of proceeds from Defendants' manufacture and distribution of prescription opioids; and

o. Other documents and things, including electronic communications.

163. On information and belief, the RICO Defendants (and/or their agents), for the purpose of executing the illegal scheme, sent and/or received (or caused to be sent and/or received) shipments of prescription opioids and related documents by mail or by private carrier affecting interstate commerce, including the following:

164. The RICO Defendants misrepresented the superior safety features of their order monitoring programs, ability to detect suspicious orders, commitment to preventing diversion of prescription opioids and their compliance with all state and federal regulations regarding the identification and reporting of suspicious orders of prescription opioids.

165. Plaintiffs are also informed and believe that the RICO Defendants utilized the internet and other electronic resources to exchange communications, to exchange information regarding prescription opioid sales and to transmit payments and rebates/chargebacks.

166. The RICO Defendants also communicated by U.S. Mail, by interstate facsimile and by interstate electronic mail with each other and various other affiliates, regional offices, regulators, distributors and other third-party entities in furtherance of the scheme.

167. The mail and wire transmissions described herein were made in furtherance of Defendants' scheme and common course of conduct to deceive regulators and the public that Defendants were complying with their state and federal obligations to identify and report suspicious orders of prescription opioids, all while Defendants were knowingly allowing millions of doses of prescription opioids to divert into the illicit drug market. The RICO Defendants intended their scheme and common course of conduct to increase or maintain high production quotas for their prescription opioids from which they could profit.

168. Defendants have deliberately hid many of the precise dates of the fraudulent uses of the U.S. mail and interstate wire facilities, and these cannot be alleged without access to Defendants' books and records. However, Plaintiffs have described the types of and, in some instances, occasions on which the predicate acts of mail and/or wire fraud occurred. They include thousands of communications to perpetuate and maintain the scheme, including the things and documents

described in the preceding paragraphs.

169. The RICO Defendants did not undertake the practices described herein in isolation, but as part of a common scheme. These actions violate 18 U.S.C. § 1962(c). Various other persons, firms and corporations, including third-party entities and individuals not named as defendants in this Complaint, may have contributed to and/or participated in the scheme with the RICO Defendants in these offenses and have performed acts in furtherance of the scheme to increase revenues, increase market share and /or minimize the losses for the RICO Defendants.

170. The RICO Defendants aided and abetted others in the violations of the above laws, thereby rendering them indictable as principals in the 18 U.S.C. §§ 1341 and 1343 offenses.

171. The RICO Defendants hid from the general public and suppressed and/or ignored warnings from third parties, whistleblowers and governmental entities the reality of the suspicious orders that the RICO Defendants were filling on a daily basis -- leading to the diversion of tens of millions of doses of prescription opioids into the illicit market.

172. The RICO Defendants, with knowledge and intent, agreed to the overall objective of their fraudulent scheme and participated in the common course of conduct to commit acts of fraud and indecency in manufacturing and distributing prescription opioids.

173. Indeed, for the Defendants' fraudulent scheme to work, each of the Defendants had to agree to implement similar tactics regarding marketing prescription opioids and refusing to report suspicious orders.

174. As described herein, the RICO Defendants engaged in a pattern of related and continuous predicate acts for years. The predicate acts constituted a variety of unlawful activities, each conducted with the common purpose of obtaining significant monies and revenue from the sale

of their highly addictive and dangerous drugs. The predicate acts also had the same or similar results, participants, victims and methods of commission. The predicate acts were related and not isolated events.

175. The predicate acts all had the purpose of generating significant revenue and profits for the RICO Defendants, while Plaintiffs were left with substantial injury to its business through the damage that the prescription opioid epidemic caused. The RICO Defendants committed or caused to be committed the predicate acts through their participation in the Opioid Diversion Enterprise and in furtherance of its fraudulent scheme.

176. The pattern of racketeering activity alleged herein and the Opioid Diversion Enterprise are separate and distinct from each other. Likewise, Defendants are distinct from the enterprise.

177. The pattern of racketeering activity alleged herein is continuing as of the date of this Complaint and, upon information and belief, will continue into the future unless enjoined by this Court.

178. RICO Defendants have hidden many of the precise dates of the criminal actions at issue here, and these cannot be alleged without access to Defendants' books and records. Indeed, an essential part of the successful operation of the Opioids Addiction and Opioid Diversion Enterprise alleged herein depended upon secrecy.

179. Each instance of racketeering activity alleged herein was related, had similar purposes, involved the same or similar participants and methods of commission, and had similar results affecting similar victims, including consumers in this jurisdiction and the Plaintiffs. Defendants calculated and intentionally crafted the Opioid Diversion Enterprise and their scheme

to increase and maintain their increased profits, without regard to the effect such behavior would have on consumers in this jurisdiction, its citizens or the Plaintiffs. In designing and implementing the scheme, at all times Defendants were cognizant of the fact that those in the manufacturing and distribution chain rely on the integrity of the pharmaceutical companies and ostensibly neutral third parties to provide objective and reliable information regarding Defendants' products and their manufacture and distribution of those products. The Defendants were also aware that Plaintiffs and the citizens of this jurisdiction rely on the Defendants to maintain a closed system and to protect against the non-medical diversion and use of their dangerously addictive opioid drugs.

180. By intentionally refusing to report and halt suspicious orders of their prescription opioids, Defendants engaged in a fraudulent scheme and unlawful course of conduct constituting a pattern of racketeering activity.

181. It was foreseeable to Defendants that refusing to report and halt suspicious orders, as required by the CSA and Code of Federal Regulations, would harm Plaintiffs by allowing the flow of prescription opioids from appropriate medical channels into the illicit drug market.

182. The last racketeering incident occurred within five years of the commission of a prior incident of racketeering.

2. The RICO Defendants Manufactured, Sold and/or Dealt in Controlled Substances, and Their Crimes Are Punishable as Felonies

183. The RICO Defendants conducted and participated in the conduct of the affairs of the Opioid Diversion Enterprise through a pattern of racketeering activity as defined in 18 U.S.C. § 1961(D) by the felonious manufacture, importation, receiving, concealment, buying, selling or otherwise dealing in a controlled substance or listed chemical (as defined in section 102 of the

Controlled Substance Act), punishable under any law of the United States.

184. The RICO Defendants committed crimes that are punishable as felonies under the laws of the United States. Specifically, 21 U.S.C. § 483(a)(4) makes it unlawful for any person to knowingly or intentionally furnish false or fraudulent information in, or omit any material information from, any application, report, record or other document required to be made, kept or filed under this subchapter. A violation of section 483(a)(4) is punishable by up to four years in jail, making it a felony. 21 U.S.C. § 483(d)(1).

185. Each of the RICO Defendants qualifies as a registrant under the CSA. Their status as registrants under the CSA requires that they maintain effective controls against diversion of controlled substances in schedule I or II, design and operate a system to disclose to the registrant suspicious orders of controlled substances, and inform the DEA of suspicious orders when discovered by the registrant. 21 U.S.C. § 823; 21 C.F.R. § 1301.74(b).

186. The CSA and the Code of Federal Regulations required the RICO Defendants to make reports to the DEA of any suspicious orders identified through the design and operation of their system to disclose suspicious orders.

187. The RICO Defendants knowingly and intentionally furnished false or fraudulent information in their reports to the DEA about suspicious orders and/or omitted material information from reports, records and other documents they were required to file with the DEA, including the Manufacturer Defendants' applications for production quotas. Specifically, the RICO Defendants were aware of suspicious orders of prescription opioids and the diversion of their prescription opioids into the illicit market and failed to report this information to the DEA in their mandatory reports and their applications for production quotas.

188. Federal authorities investigated McKesson in 2013 regarding its monitoring and reporting of suspicious controlled substances orders. On April 23, 2015, McKesson filed a Form 8-K announcing a settlement with the DEA and DOJ wherein it admitted to violating the CSA and agreed to pay $150 million and have some of its DEA registrations suspended on a staggered basis. The settlement was finalized on January 17, 2017.

189. The RICO Defendants engaged in a pattern and practice of willfully and intentionally omitting information from their mandatory reports to the DEA as required by 21 C.F.R. § 1301.74. The vast number of enforcement actions available in the public record against the Distributor Defendants supports this conclusion.

190. These actions against the Distributor Defendants confirm that the Distributor Defendants knew they had a duty to maintain effective controls against diversion, design and operate a system to disclose suspicious orders, and to report suspicious orders to the DEA. These actions also demonstrate, on information and belief, that the Manufacturer Defendants were aware of the enforcement against their Distributors and the diversion of the prescription opioids and a corresponding duty to report suspicious orders.

191. The pattern of racketeering activity alleged herein is continuing as of the date of this Complaint and, upon information and belief, will continue into the future unless enjoined by this Court.

192. Many of the precise dates of Defendants' criminal actions at issue herein were hidden and cannot be alleged without access to Defendants' books and records. Indeed, an essential part of the successful operation of the Opioid Diversion Enterprise depended upon the secrecy of the participants in that enterprise.

193. Each instance of racketeering activity alleged herein was related, had similar purposes, involved the same or similar participants and methods of commission and had similar results affecting similar victims, including consumers in this jurisdiction and the Plaintiffs. Defendants calculated and intentionally crafted the diversion scheme to increase and maintain profits from unlawful sales of opioids, without regard to the effect such behavior would have on this jurisdiction, its citizens or the Plaintiffs. The Defendants were aware that Plaintiffs and the citizens of this jurisdiction rely on the Defendants to maintain a closed system of manufacturing and distribution to protect against the non-medical diversion and use of their dangerously addictive opioid drugs.

194. By intentionally refusing to report and halt suspicious orders of their prescription opioids, Defendants engaged in a fraudulent scheme and unlawful course of conduct constituting a pattern of racketeering activity.

195. It was foreseeable to Defendants that refusing to report and halt suspicious orders, as required by the CSA and Code of Federal Regulations, would harm Plaintiffs by allowing the flow of prescription opioids from appropriate medical channels into the illicit drug market.

196. The last racketeering incident occurred within five years of the commission of a prior incident of racketeering.

D. DAMAGES

197. The RICO Defendants' violations of law and their pattern of racketeering activity directly and proximately caused Plaintiffs injuries in its business and property because Plaintiffs paid for costs associated with the opioid epidemic, as described above in allegations expressly incorporated herein by reference.

198. Defendants' racketeering activities proximately caused Plaintiffs' injuries and those of its citizens. But for the RICO Defendants' conduct, Plaintiffs would not have paid the health services and law enforcement services and expenditures required as a result of the plague of drug-addicted residents.

199. The RICO Defendants' racketeering activities directly caused Plaintiffs' injuries and those of its citizens.

200. Plaintiffs were most directly harmed and there are no other Plaintiffs better suited to seek a remedy for the economic harms at issue here.

201. Plaintiffs seek all legal and equitable relief as allowed by law, including, *inter alia,* actual damages, treble damages, equitable relief, forfeiture as deemed proper by the Court, attorneys' fees and all costs and expenses of suit, and pre- and post-judgment interest.

COUNT VIII
RACKETEER-INFLUENCED AND CORRUPT ORGANIZATIONS ACT
18 U.S.C. 1962(d), *et seq.*
(Against All Defendants)

The Plaintiffs incorporate Paragraphs 1 through 201 as if fully restated and set forth herein.

202. Plaintiffs bring this claim on its own behalf against all RICO Defendants. At all relevant times, the RICO Defendants were associated with the Opioid Diversion Enterprise and agreed and conspired to violate 18 U.S.C. § 1962(c), that is, they agreed to conduct and participate, directly and indirectly, in the conduct of the affairs of the Opioid Diversion Enterprise through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(d). Under Section 1962(d), it is unlawful for "any person to conspire to violate" Section 1962(d), among other provisions. 18 U.S.C. § 1962(d).

203. Defendants conspired to violate Section 1962(c), as alleged more fully above, by conducting the affairs of the Opioid Diversion Enterprise through a pattern of racketeering activity, as incorporated by reference below.

A. THE OPIOID DIVERSION ENTERPRISE

204. For efficiency and avoiding repetition, for purposes of this claim, Plaintiffs incorporate by reference the paragraphs set out above concerning the "Opioid Diversion Enterprise."

B. CONDUCT OF THE OPIOID DIVERSION ENTERPRISE

205. For efficiency and avoiding repetition, for purposes of this claim, Plaintiffs incorporate by reference the paragraphs set out above concerning the "Conduct of the Opioid Diversion Enterprise."

C. PATTERN OF RACKETEERING ACTIVITY

206. For efficiency and avoiding repetition, for purposes of this claim, Plaintiffs incorporate by reference the paragraphs set out above concerning the "Pattern of Racketeering Activity."

D. DAMAGES

207. The RICO Defendants' violations of law and their pattern of racketeering activity directly and proximately caused Plaintiffs' injuries in its business and property because Plaintiffs paid for costs associated with the opioid epidemic, as described above in allegations expressly incorporated herein by reference.

208. The RICO Defendants' racketeering activities proximately caused Plaintiffs' injuries and those of its citizens. But for the RICO Defendants' conduct, Plaintiffs would not have paid the health services and law enforcement services and expenditures required as a result of the plague of

drug-addicted residents.

209. The RICO Defendants' racketeering activities directly caused Plaintiffs' injuries and those of its citizens.

210. Plaintiffs were most directly harmed and there are no other Plaintiffs better suited to seek a remedy for the economic harms at issue here.

211. Plaintiffs seek all legal and equitable relief as allowed by law, including, *inter alia*, actual damages, treble damages, equitable relief, forfeiture as deemed proper by the Court, attorneys' fees and all costs and expenses of suit and pre- and post-judgment interest.

COUNT IX
RELIEF REQUESTED

The Plaintiffs incorporate Paragraphs 1 through 211 as if fully restated and set forth herein.

WHEREFORE, in consideration of the claims stated above, the Plaintiffs in this case respectfully submit that upon a full hearing of the evidence that this Honorable Court, and the jury hearing this case, grant the following relief.

212. Judgment in favor of the Plaintiffs against each Defendant separately and severally, based on joint and several liability, against each and every Defendant in this case;

213. An entry of equitable relief and Order of Abatement against the Defendants, jointly and severally, along with all those acting in concert with the Defendants including all agents, subsidiaries and all other persons acting in concert or participation with the Defendants from continuing the conduct made the subject of this Complaint.

214. An Order of Injunction against the Defendants on a permanent basis along with accompanying restitution.

215. An Order from this Court against the Defendants that they fully compensate the Plaintiff Cities, Plaintiff Towns and Plaintiff County for past and future expenses required to abate the nuisance caused by the opioid epidemic.

216. A judgment and award of compensatory damages, including without limitation, all damages previously outlined in this Complaint along with:

- costs for providing emergency response services;
- costs for law enforcement, corrections and correctional facilities expenses;
- all costs of county and municipal judicial services, including prosecutors, court costs, court personnel, public defender services and related expenses;
- all costs for public welfare subsistence and related agencies;
- all other reimbursement damages to compensate the cities, towns and counties for costs relating to the opioid epidemic including lost of tax revenue, losses sustained from the payment of opioid related damages that could have put to other public services; and
- an award of punitive damages against the Defendants in an amount that sets an example to discourage similar wrongful corporate behavior in the future.

217. In addition to the damages outlined herein, Plaintiffs demand that Defendants pay court costs, including attorneys' fees, applicable interest and all other relief as allowed under Alabama law and as this Court deems appropriate and just.

PLAINTIFFS DEMAND TRIAL BY JURY

Respectfully submitted,

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