



Pinellas County

#37

Staff Report

File #: 21-1609A, **Version:** 1

Agenda Date: 8/24/2021

Subject:

Proposed settlement through Plan Confirmation in the case of In re: Mallinckrodt PLC, et al, Debtors; Mallinckrodt PLC Case No. 20-12522 (bankruptcy).

Recommended Action:

Consideration of the proposed settlement through Plan Confirmation in the case of In re: Mallinckrodt PLC, et al, Debtors; Mallinckrodt PLC Case No. 20-12522 (bankruptcy).

Strategic Plan:

N/A

Summary:

The above-referenced case is being brought to the Board of County Commissioners for consideration in accordance with the confidential memorandum of August 24, 2021.

Background Information:

N/A

Fiscal Impact:

Unknown.

Staff Member Responsible:

Jewel White, County Attorney

Christy Donovan Pemberton, Managing Assistant County Attorney

Partners:

N/A

Attachments:

N/A



Pinellas County

315 Court Street, 5th Floor
Assembly Room
Clearwater, Florida 33756

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Recommended Action:

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Strategic Plan:

N/A

Summary:

Your outside counsel recommends you vote on the Mallinckrodt Bankruptcy Plan ("Plan") consistent with the recommendation of the Plaintiff's Executive Committee. Such recommendation has yet to be finalized as counsel is attempting to negotiate better terms than currently exist. Your outside counsel anticipates that the ultimate recommendation will be to approve the Plan. The current deadline to vote on the Plan is September 3, 2021.

The bankruptcy court will consider the creditors' votes in ruling on the Plan. Regardless of how you vote, the Plan could be rejected or confirmed, and your claim would be subject to the court's ruling. You are eligible to vote due to your claims against Mallinckrodt, which are pending in the multi-district opioid litigation.

The Plan creates a national opioid abatement fund, which will be funded by the following sources: i) a \$1.6 billion cash payment over the course of seven (7) years (with a right to pre-pay at a discount); as well as ii) certain rights under insurance policies; (iii) estate claims against certain third-parties; and (iv) warrants to acquire 19.99% of the reorganized equity at a strike price determined by an equity value of \$1.551 billion. Mallinckrodt and key stakeholders are finalizing the terms of the insurance, warrants, and covenant components in connection with the Opioid Settlement, among other considerations. Because non-economic matters are still under negotiation, there is no firm recommendation from your outside counsel at this time.