

Direct E-mail: rjohnson@justicestartshere.com

August 9, 2024

Re: Kentucky School District Opioid Litigation

Dear School Districts:

We have some developments to report on:

Public School District Opioid Recovery Trust: The website for your clients to express interest in the grant-making process is up and running and can be found here: <https://www.schooldistrictopioidrecoverygrants.com/>

Rite-Aid Bankruptcy: Rite-Aid is a small bankruptcy proceeding with only about \$17 million of assets. On the verge of a complete liquidation, a bankruptcy plan was approved on June 28, 2024. The plan allocates \$385,000 to school districts. The most important asset relates to potential claims against insurance carriers. Down the road, it's possible that School districts could secure a seven-figure recovery if a \$2 billion opioid creditor claim against the Rite-Aid insurance policies are successful. Alan Halperin is the appointed trustee pursuing the insurance policies. His resume is attached. Baltimore City Schools serves as the lead plaintiff for school districts in this proceeding.

Purdue: Following the Supreme Court Decision to overturn the Purdue bankruptcy plan, the case has been remanded to Southern District of New York Bankruptcy Judge Lane. Judge Lane succeeds Bankruptcy Judge Drain who retired. Our bankruptcy counsel Eric Fisher has had experience in front of Judge Lane and has a favorable opinion of him. On July 10th, Judge Lane appointed Retired Bankruptcy Judge Chapman and Eric D. Green as co-mediators to preside over confidential bankruptcy plan negotiations. Counsel for schools met with the two mediators on July 11th. The mediation is expected to conclude by September 10th.

We asked that School Districts claims be put on the back burner until there is clarity on whether other larger creditors, such as the State AGs, resolve claims with the Sacklers. Our goal is to have the \$25.5 million earmarked for the School District trust in the original plan be made available to the Trust from the Debtor's funds regardless of whether the overall mediation with the Sacklers is successful.

Sincerely,

Ron Johnson

Ronald E. Johnson, Jr.