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IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

19CV22185

STATE OF OREGON, ex rel. ELLEN F. ROSENBLUM, Attorney General for the State of Oregon,

Plaintiff,

vs.

RICHARD S. SACKLER, an individual;
JONATHAN D. SACKLER, an individual;
MORTIMER D.A. SACKLER, an individual;
KATHE A. SACKLER, an individual; ILENE SACKLER LEFCOURT, an individual;
DAVID A. SACKLER, an individual;
BEVERLY SACKLER, an individual;
THERESA SACKLER, an individual;
PURDUE PHARMA L.P., a Delaware limited partnership; and PURDUE PHARMA INC., a New York corporation,

Defendants.

No.

**COMPLAINT
Declaratory relief; Intentional
fraudulent conveyance;
Constructive fraudulent
conveyance**

REDACTED PUBLIC VERSION

**Not Subject to Mandatory
Arbitration**

**Filing fee not collectible pursuant
to ORS 21.259**

DEMAND FOR JURY TRIAL

Plaintiff, for its complaint against defendants, alleges as follows:

INTRODUCTION

I.

Defendants Richard S. Sackler, Jonathan D. Sackler, Mortimer D.A. Sackler, Kathe A. Sackler, Ilene Sackler Lefcourt, David A. Sackler, Beverly Sackler, and Theresa Sackler (the "Sacklers") stand atop the "Sackler Pharmaceutical Enterprise," a worldwide network of pharmaceutical businesses, holding companies, and tax shelters, wholly owned by the Sacklers and their families. The Sackler Pharmaceutical Enterprise is dedicated to manufacturing, marketing, and promoting deadly opioid narcotics and hiding the profits. The

1 Sacklers exert complete and total control over all the entities in the Sackler Pharmaceutical
2 Enterprise.

3 2.

4 Together with their families, the Sacklers own 100 percent of defendants Purdue
5 Pharma L.P. and Purdue Pharma Inc. (“Purdue”), the makers of OxyContin. Purdue, at the
6 Sacklers’ direction, launched OxyContin in 1996. The drug kicked off a nationwide
7 epidemic. Every day, more than 115 Americans die after overdosing on opioids.¹ In 2011,
8 the United States comprised 4.6% of the world’s population, but consumed 80% of the
9 world’s opioids.² In 2015, more than 3 million opioid prescriptions were issued in Oregon,
10 enough for nearly every adult Oregonian to have a bottle of pills.³ By 2017, the crisis had
11 cost an estimated \$1 trillion in the United States in lost wages, productivity, and tax revenue
12 and additional health care, social services, and criminal justice spending.⁴

13 3.

14 The Sacklers have known for nearly two decades that OxyContin is highly addictive,
15 dangerous, and deadly. By 2007, the damage wrought by OxyContin and Purdue’s
16 aggressive and unlawful marketing of the drug had exposed Purdue to catastrophic liability.
17 Fearing that Purdue would collapse under the weight of criminal and civil investigations and
18 more than 100 lawsuits, the Sacklers engaged in a concerted, planned effort to siphon billions
19

20 ¹ National Institute on Drug Abuse, *Opioid Overdose Crisis* (Mar. 2018),
21 <https://www.drugabuse.gov/drugs-abuse/opioids/opioid-overdose-crisis>.

22 ² Donald Teater, *The Psychological and Physical Side Effects of Pain Medications*,
23 Nat’l Safety Council (2014), [https://www.colorado.gov/pacific/sites/default/files/
24 Psychological%20and%20Physical%20Side%20Effects%20Teater%20NSC.pdf](https://www.colorado.gov/pacific/sites/default/files/Psychological%20and%20Physical%20Side%20Effects%20Teater%20NSC.pdf).

25 ³ Geoff Mulvihill, Liz Essley Whyte, and Ben Wieder, *Drugmakers Fought State*
26 *Opioid Limits Amid Crisis*. THE BEND BULLETIN, (Sept. 18, 2016),
<https://www.bendbulletin.com/home/4668535-151/painkiller-problem-a-political-one-too>.

⁴ Altarum Institute, *Economic Toll of Opioid Crisis in U.S. Exceeded \$1 Trillion*
Since 2001 (Feb. 13, 2018), [https://altarum.org/about/news-and-events/economic-toll-of-
opioid-crisis-in-u-s-exceeded-1-trillion-since-2001](https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001).

1 of dollars out of Purdue Pharma L.P. and transfer it to themselves and other entities in the
2 Sackler Pharmaceutical Enterprise.

3 4.

4 Over the following ten years, while Purdue continued to illegally market OxyContin,
5 the Sacklers milked ██████████ from Purdue Pharma L.P. In doing so, they starved the
6 company of cash, stifled its growth, and left it unable to satisfy its enormous legal liabilities
7 resulting from its continuous unlawful conduct. At every turn, the Sacklers have used Purdue
8 and all the entities in the Sackler Pharmaceutical Enterprise as their alter egos to avoid
9 personal liability and the jurisdiction of this and other courts nationwide.

10 5.

11 The State of Oregon, by and through Attorney General Ellen Rosenblum, brings this
12 action against the Sacklers to hold them personally accountable for their misconduct.

13 **PARTIES, JURISDICTION, AND VENUE**

14 6.

15 Ellen Rosenblum is the Attorney General of plaintiff, the State of Oregon.

16 7.

17 Defendant Purdue Pharma L.P. is a limited partnership organized under the laws of
18 Delaware with its principal place of business in Stamford, Connecticut.

19 8.

20 Purdue Pharma Inc. is a New York corporation with its principal place of business in
21 Stamford, Connecticut.

22 9.

23 Defendant Richard S. Sackler is a natural person residing in Travis County, Texas.
24 Richard Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until
25 July 24, 2018. Until approximately 2003, Richard Sackler was the Chief Executive Officer
26 of Purdue.

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10.

Defendant Jonathan D. Sackler is a natural person residing in Fairfield County, Connecticut. Jonathan Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until December 8, 2018. On and before May 31, 2007, Jonathan Sackler also served as a Senior Vice President of Purdue Pharma Inc. and Purdue Pharma L.P.

11.

Defendant Mortimer D.A. Sackler is a natural person residing in New York County, New York. Mortimer D.A. Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until January 16, 2019. On and before May 31, 2007, Mortimer D.A. Sackler also served as a Vice President of Purdue Pharma Inc. and Purdue Pharma L.P.

12.

Defendant Kathe A. Sackler is a natural person residing in Fairfield County, Connecticut. Kathe Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until September 27, 2018. On and before May 31, 2007, Kathe Sackler also served as a Senior Vice President of Purdue Pharma Inc. and Purdue Pharma L.P.

13.

Defendant Ilene Sackler Lefcourt is a natural person residing in New York County, New York. Ilene Sackler Lefcourt served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until October 9, 2018.

14.

Defendant Beverly Sackler is a natural person residing in Fairfield County, Connecticut. Beverly Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until October 17, 2018.

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15.

Defendant Theresa Sackler is a natural person residing in New York County, New York. Theresa Sackler served on the Board of Purdue Pharma Inc. from at least May 15, 2007 until 2018.

16.

Defendant David Sackler is a natural person residing in New York. David Sackler served on the Board of Purdue Pharma Inc. from July 19, 2012 until August 14, 2018.

17.

Subject matter jurisdiction is conferred on this Court by ORS 14.030.

18.

This Court has personal jurisdiction over Purdue pursuant to ORCP 4 A(4) because Purdue is engaged in substantial and not isolated marketing, promotion, and sales of pharmaceuticals in Oregon; ORCP 4 D(1) because the State suffered an injury in Oregon as a result of Purdue’s fraudulent conveyances and, at the same time, Purdue carried out solicitation activities within Oregon; and ORCP 4 E(4) because this action arises out of pharmaceuticals received in Oregon from Purdue.

19.

This Court has personal jurisdiction over the Sacklers on the following bases:

- a. Pursuant to ORCP 4 D(1) because the State suffered an injury in Oregon as a result of the Sacklers’ fraudulent conveyances conducted outside of Oregon and, at the same time, Purdue Pharma L.P. sales representatives conducted solicitation activities in Oregon on behalf of the Sacklers.
- b. Pursuant to ORCP 4 L because: i) Purdue Pharma L.P. engaged in illegal conduct in Oregon giving the State claims against it and making the State a creditor of Purdue Pharma L.P.; ii) as a result the State can exercise personal jurisdiction over Purdue Pharma L.P.; iii) the Sacklers exercise complete dominion and control over Purdue

1 Pharma L.P. such that Purdue Pharma L.P. is the agent of the Sacklers; and iv) where
2 a Court has personal jurisdiction over an agent, it has jurisdiction over its principal.

3 c. Pursuant to ORCP 4 L because: i) Purdue Pharma L.P. engaged in illegal conduct in
4 Oregon giving the State claims against it and making the State a creditor of Purdue
5 Pharma L.P.; ii) as a result the State can exercise personal jurisdiction over Purdue
6 Pharma L.P.; and iii) Purdue Pharma L.P. is the alter ego of the Sacklers and a facade
7 erected to avoid liability and jurisdiction, as set forth below.

8 d. Pursuant to ORCP 4 L because: i) Purdue Pharma L.P. engaged in illegal conduct in
9 Oregon giving the State claims against it and making the State a creditor of Purdue
10 Pharma L.P.; ii) as a result the State can exercise personal jurisdiction over Purdue
11 Pharma L.P. and Purdue Pharma L.P.'s general partner, Purdue Pharma Inc.; and
12 iii) Purdue Pharma Inc. is the alter ego of the Sacklers and a facade erected to avoid
13 liability and jurisdiction, as set forth below.

14 20.

15 Venue in Multnomah County is proper pursuant to ORS 14.080(1) because the cause
16 of action arose in Multnomah County.

17 **SUMMARY OF THE ACTION**

18 **I. The State of Oregon has sued Purdue Pharma L.P. and Purdue Pharma Inc. on**
19 **multiple claims for penalties and civil forfeiture in amounts that could exceed \$1**
20 **billion.**

21 21.

22 Purdue manufactures, sells, and markets extended-release opioids. Purdue's marquee
23 drug is OxyContin (oxycodone hydrochloride extended release). OxyContin is a form of
24 extended-release oxycodone. Oxycodone is a Schedule II controlled substance. As such, the
25 United States Department of Justice has determined that oxycodone has a high potential for
26 abuse and that abuse may lead to severe psychological or physical dependence.

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11 22.

On September 13, 2018, the State of Oregon, by and through Attorney General Ellen Rosenblum, sued Purdue Pharma L.P., Purdue Pharma Inc., and The Purdue Frederick Company in Multnomah County Circuit Court, Case No. 18CV40526 (the “Purdue Litigation”). The Attorney General pleaded claims for relief under four laws: the Unlawful Trade Practices Act, the Elderly Persons and Persons with Disabilities Abuse Prevention Act, the Oregon False Claims Act, and the Oregon Racketeer Influenced and Corrupt Organizations Act. The Attorney General seeks injunctive relief, penalties, and civil forfeiture from Purdue. The Attorney General did not plead any claims for damages. Total penalties and forfeiture could exceed \$1 billion.

12 23.

As a result of its substantial claims against Purdue, the State of Oregon is a creditor of Purdue.

14 **II. The Sacklers use Purdue and a web of shell companies, partnerships, and**
15 **related businesses as their “alter ego” to fraudulently avoid personal liability**
16 **and jurisdiction.**

17 24.

Arthur, Mortimer, and Raymond Sackler purchased the predecessor of Purdue Pharma L.P. in 1952. After Arthur died in 1987, his estate sold his one-third interest to his brothers. The families of Mortimer and Raymond Sackler now own 100 percent of Purdue Pharma L.P., pursuant to a chain of ownership. Defendants Richard, Jonathan, Mortimer D.A., Kathe, David, Beverly, and Theresa Sackler and Ilene Sackler Lefcourt are each members of the families of Mortimer and Raymond Sackler and are owners of Purdue Pharma L.P., pursuant to a chain of ownership.

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25.

Since at least 1996, the Sacklers have held a majority of the seats on the Board of Purdue Pharma Inc. By virtue of their control of Purdue Pharma Inc., the Sacklers have complete control over Purdue Pharma L.P.

26.

In addition to Purdue Pharma L.P. and Purdue Pharma Inc., the Sacklers own and control a web of related shell companies, holding companies, and national and international subsidiaries, partners, and affiliates. These include Purdue Holdings L.P., BR Holdings Associates L.P., PLP Associates Holdings L.P., PLP Associates Holdings, Inc., Rhodes Technologies, Rhodes Pharmaceuticals L.P., Rhodes Pharmaceuticals, Inc., Beacon Company, Rosebay Medical Company L.P., two companies located in the Bailiwick of Jersey in Channel Islands, and close to a [REDACTED], a well-known tax haven.

27.

The Sacklers exercise complete dominion over and control of Purdue Pharma L.P., Purdue Pharma Inc., and the related shell companies, holding companies, and national and international subsidiaries, partners, and affiliates. In internal documents Purdue Pharma L.P.'s CEO [REDACTED] (Purdue Pharma L.P., Purdue Pharma Inc., and the related shell companies, holding companies, and national and international subsidiaries, partners, and affiliates shall be referred to as the "Sackler Pharmaceutical Enterprise.") The Sacklers [REDACTED] [REDACTED] of the Sackler Pharmaceutical Enterprise.

28.

The Sacklers are united by common ownership and control of Purdue Pharma L.P. The Sacklers and their family members own 100 percent of Purdue Pharma L.P. through a chain of ownership in the Sackler Pharmaceutical Enterprise. The Sacklers have a shared

1 goal of maximizing their own financial benefits. That interest extends not merely to
2 transferring cash to companies and trusts established for their benefit, but also to transferring
3 Purdue's assets to companies they own and control.

4 29.

5 For more than a decade the Sacklers have used Purdue Pharma L.P. and the Sackler
6 Pharmaceutical Enterprise as their alter egos. When faced with the choice between ensuring
7 the long-term strength and viability of Purdue Pharma L.P., or siphoning assets from the
8 company for their personal benefit, the Sacklers have intentionally and repeatedly chosen to
9 sacrifice the company for their own gain. [REDACTED]

10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 30.

15 Richard Sackler, on behalf of his family and with their consent and approval, has
16 spearheaded the Sacklers' dominion and control of the Sackler Pharmaceutical Enterprise.
17 Although he resigned as an officer of Purdue Pharma L.P. in 2003, Richard, with the support,
18 consent, and assistance of the Sacklers, continued to directly control Purdue Pharma L.P. He
19 frequently contacted employees to obtain information about sales, issue instructions, and pressure
20 the sales team to sell more opioids. [REDACTED]

21 [REDACTED]
22 [REDACTED]

23 [REDACTED] Three years later, staff
24 continued to [REDACTED]

25 [REDACTED]
26 [REDACTED]

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[REDACTED]

31.

Richard’s intervention took many forms. For example, in 2008, [REDACTED]
[REDACTED]. In 2009 and 2010, as Purdue submitted a
reformulation of OxyContin, known as OxyContin Tamper-Resistant (“OTR”), [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

III. The Sacklers have been aware for nearly 20 years that OxyContin—the overwhelming source of their wealth—is dangerous, addictive, and deadly.

32.

By 2000, the Sacklers were fully aware that OxyContin was dangerous, addictive, and
deadly. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] Richard responded [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] And just one month later, a Purdue employee sent
[REDACTED]
[REDACTED]

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33.

The Sacklers were also aware [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

34.

Richard Sackler admitted in a 2015 deposition that he was aware of the potential for abuse and diversion of OxyContin in 2000: "Sometime in 2000 an article was published in a newspaper in Maine that very graphically described the impact of abuse and diversion of individuals who were using OxyContin. That was the first -- the first time I became aware of that possibility." Richard testified that he became aware of the possibility of addiction at the same time.

35.

Despite his knowledge of the dangers of OxyContin, Richard Sackler personally demanded [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The same year, Richard [REDACTED]
[REDACTED] Richard proposed to the Board, which consisted largely of his family, [REDACTED]
[REDACTED]

36.

Two years later, even as the opioid crisis was growing, [REDACTED]
[REDACTED] In a January 2010 email to Richard, [REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]

Richard was not pleased. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

37.

Richard Sackler also constantly pressured Purdue's executives to increase sales. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

IV. The Sacklers abused Purdue Pharma L.P.'s corporate form by siphoning billions out of the company despite their knowledge that the company would be undiversified and unable to satisfy the liabilities caused by OxyContin.

38.

In 2007, the Sacklers realized that Purdue faced potentially catastrophic legal liability as result of their illegal marketing of OxyContin. That year, federal prosecutors and The Purdue Frederick Company, an affiliate of Purdue Pharma L.P., reached a plea agreement

1 under which The Purdue Frederick Company pleaded guilty to felony misbranding of
2 OxyContin. As part of the plea, Purdue Pharma L.P., The Purdue Fredrick Company, and
3 top Purdue executives agreed to pay more than \$600 million in fines. Three top Purdue
4 executives, including the CEO and General Counsel, pleaded guilty to misdemeanor crimes
5 related to false promotion of OxyContin. Purdue also entered settlements and consent
6 judgments with 27 states requiring the payment of nearly \$20 million. The combined fines
7 and settlement payments resulting from the state and federal actions totaled more than \$650
8 million, [REDACTED]

9 39.

10 Purdue also faced other unresolved litigation. As of March 31, 2008, [REDACTED]
11 [REDACTED], and the State of
12 Kentucky (not one of the 27 settling states) had filed claims, including for Medicaid fraud.

13 40.

14 The various lawsuits related to OxyContin posed a serious risk to Purdue's viability.
15 Purdue was undiversified; it derived the overwhelming majority of its revenues from sales of
16 OxyContin. [REDACTED]

17 [REDACTED]
18 [REDACTED] To make
19 matters worse, [REDACTED]

20 [REDACTED]
21 41.

22 Given the extraordinary number of lawsuits and the size of fines and payments
23 Purdue faced in 2007, the Sacklers faced the possibility that litigation could destroy their
24 company. The Sacklers were so concerned that litigation regarding OxyContin would end
25 Purdue, they set up a separate company called Rhodes. According to a former senior Purdue
26 manager, "Rhodes was set up as a 'landing pad' for the Sackler family in 2007, to prepare for

1 the possibility that they would need to start afresh following the crisis then engulfing
2 OxyContin.”

3 42.

4 Richard Sackler kept the family informed of the crisis engulfing OxyContin and the
5 extraordinary risk it posed to Purdue. [REDACTED]

6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 43.

14 The Sacklers chose to distribute cash to themselves. [REDACTED]
15 [REDACTED]
16 [REDACTED]

17 44.

18 Beginning in 2008, the year after the 2007 plea deal and state settlements alerted the
19 Sacklers to the catastrophic liabilities Purdue faced from OxyContin, the Sacklers began to
20 siphon billions of dollars out of Purdue for their own benefit. [REDACTED]

21 [REDACTED]
22 [REDACTED]
23 [REDACTED] In the decade after they made the decision, [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]

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45.

[REDACTED]

46.

The Sacklers exercised their control over Purdue Pharma L.P. to directly and personally siphon nearly [REDACTED] from the company. As Board members of Purdue Pharma Inc., the general partner of Purdue Pharma L.P., the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] In every instance, the transfers out of Purdue Pharma L.P. were made for the ultimate benefit of the Sacklers.

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47.

The Sacklers' siphoning of Purdue's funds left Purdue unable to satisfy its potential liabilities. In 2010, Purdue's Chief Financial Officer wrote to Mortimer D.A. Sackler

[REDACTED]

48.

Despite paying massive amounts to resolve civil and criminal investigations in 2007, Purdue, with the Sacklers' full knowledge, continued to engage in false, deceptive, and misleading marketing and promotion of OxyContin, leaving it continuously exposed to massive and potentially fatal civil liabilities. In the State of Oregon, the companies aggressively and illegally marketed and promoted OxyContin. As detailed in the Purdue Litigation, Purdue Pharma L.P. and its related companies promoted long-term use of high doses of OxyContin even though they knew that long-term use of high doses increased the risks of overdose; they targeted the elderly even though they knew that opioids posed greater dangers for older patients; and they falsely, deceptively, and misleadingly minimized the risk of addiction, tolerance, and dependence even though they knew of serious dangers. Purdue's conduct after 2007, and through the present, violates Oregon's Unlawful Trade Practices Act, the Elderly Persons and Persons with Disabilities Abuse Prevention Act, and the Oregon Racketeer Influenced and Corrupt Organizations Act.

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49.

In 2014, Purdue admitted in court what had long been evident: Purdue’s litigation liabilities related to OxyContin exceeded the company’s financial resources. The State of Kentucky, which had been litigating against Purdue since 2007, was pressing its claims in Kentucky state court. Purdue’s attorney told a Kentucky court that [REDACTED]

[REDACTED] And, in an interlocutory appeal, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

50.

Yet, despite OxyContin’s well-known liability risks bringing Purdue to the brink of financial collapse, the Sacklers continued to siphon massive amounts of cash out of the company. [REDACTED]
[REDACTED]

51.

In 2017 and 2018, states, cities, counties, and other entities filed more than 1,000 lawsuits against Purdue Pharma L.P., all linked to Purdue’s manufacturing, marketing, and sales of OxyContin.

52.

By August 2018, denuded of cash, assets, and diversified products by the Sacklers’ intentional decision to siphon funds out of the company, Purdue contemplated bankruptcy. It hired bankruptcy lawyers. By March of 2019, Purdue was publicly stating that bankruptcy was a possibility.

53.

[REDACTED]
[REDACTED]

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[REDACTED]

54.

Purdue's CEO made clear the reasons [REDACTED]

[REDACTED]

created Purdue's acute and predictable problem [REDACTED]

[REDACTED]

55.

The Sacklers' siphoning of funds out of Purdue has brought Purdue to the edge of bankruptcy. As a result, Purdue lacks the funds to satisfy the State of Oregon's claims against the company in the Purdue Litigation.

FIRST CLAIM FOR RELIEF
(Declaratory Relief: Piercing the Corporate Veil)

56.

The Attorney General re-alleges paragraphs 1 through 55, and incorporates the allegations herein, as if fully set forth.

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57.

The Sacklers and their families own 100 percent of Purdue Pharma L.P. and Purdue Pharma Inc.

58.

The Sacklers control Purdue Pharma L.P. and Purdue Pharma Inc., as described above. The Sacklers are united by common ownership and control of Purdue and the Sackler Pharmaceutical Enterprise. The Sacklers have a shared goal of maximizing their and their families' financial interests.

59.

The Sacklers have exercised their control over Purdue to wrongfully siphon billions of dollars out of Purdue Pharma L.P. to the benefit of themselves and their families.

60.

As a result of this improper conduct, Purdue is not able to satisfy its liabilities, including the liabilities it will owe to the State in the Purdue Litigation and to its other creditors.

61.

The Sacklers and Purdue are part of the unified economic entity of the Sackler Pharmaceutical Enterprise. The Sacklers operate Purdue and the other entities in the Sackler Pharmaceutical Enterprise as their alter egos and for the unjust purpose of maximizing their own wealth while relying on the corporate and partnership forms to shield themselves from the legal liability incurred by their knowing promotion of a dangerous, addictive, and deadly drug. The Sacklers abuse the corporate and partnership forms of the entities in the Sackler Pharmaceutical Enterprise to unjustly avoid both liability and the personal jurisdiction of this Court.

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62.

The State requests a declaration that Purdue Pharma L.P., Purdue Pharma Inc., and the other entities in the Sackler Pharmaceutical Enterprise are the alter egos of the Sacklers and the State may pierce the corporate and partnership veils of each of those entities to recover any amounts owed to the State that Purdue Pharma L.P. and Purdue Pharma Inc. are unable to satisfy.

SECOND CLAIM FOR RELIEF
(Intentional Fraudulent Conveyance)

63.

The Attorney General re-alleges paragraphs 1 through 62, and incorporates the allegations herein, as if fully set forth.

64.

Oregon’s choice-of-law rules provide for application of New York law to the State’s fraudulent conveyance claims. Defendants engaged in injurious conduct in New York, and Purdue Pharma Inc., the general partner of Purdue Pharma L.P., is a New York corporation. New York has a strong policy interest in applying its laws to transfers made in its jurisdiction to encourage responsible conduct, deter injurious conduct, and provide adequate remedies to injured parties.

65.

As a result of the claims asserted in the Purdue Litigation, the State is a creditor of Purdue.

66.

The transfers of funds from Purdue Pharma L.P. at the direction of the Sacklers, for the Sacklers’ ultimate benefit, constitute conveyances. The Sacklers made these conveyances with actual intent to hinder, delay, or defraud present or future creditors of Purdue, including the State.

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67.

As a result, the State is entitled to a judgment restraining defendants from disposing of any property, setting aside transfers of Purdue’s funds to the Sacklers and other third-party entities owned or controlled by the Sacklers, and ordering the Sacklers to return the funds transferred or equivalent value.

68.

Pursuant to New York Code DCL § 276-A, the State seeks an award of reasonable attorney fees.

THIRD CLAIM FOR RELIEF
(Constructive Fraudulent Conveyance)

69.

The Attorney General re-alleges paragraphs 1 through 68, and incorporates the allegations herein, as if fully set forth.

70.

Oregon’s choice-of-law rules provide for application of New York law to the State’s fraudulent conveyance claims. Defendants engaged in injurious conduct in New York, and Purdue Pharma Inc., the general partner of Purdue Pharma L.P., is a New York corporation. New York has a strong policy interest in applying its laws to transfers made in its jurisdiction to encourage responsible conduct, deter injurious conduct, and provide adequate remedies to injured parties.

71.

As a result of the claims asserted in the Purdue Litigation, the State is a creditor of Purdue.

72.

All of the transfers of funds from Purdue Pharma L.P. to the Sacklers constituted conveyances and were made without fair consideration.

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73.

At the time those conveyances were made, Purdue Pharma L.P.: (a) was insolvent or would thereby be rendered insolvent; (b) was a defendant in an action for money damages brought by the State; (c) was engaged or about to engage in a business or transaction for which the property remaining in its hands after the conveyance was an unreasonably small capital; and/or (d) intended or believed that it would incur debts beyond its ability to pay as they matured.

74.

In addition or in the alternative, those conveyances were made at a time when Purdue Pharma L.P. was insolvent, nearing insolvency, or such conveyances rendered the company insolvent because Purdue’s conduct marketing, advertising, and promoting OxyContin was fraudulent and in violation of state and federal law.

75.

The Sacklers’ siphoning of funds from Purdue Pharma L.P. left Purdue with unreasonably small capital to pay off its current creditors in the Purdue Litigation and the more than 1,000 other lawsuits against Purdue nationwide.

76.

Accordingly, the State is entitled to a judgment: (a) restraining defendants from disposing of any property; (b) setting aside the transfers of Purdue funds to or for the benefit of the Sacklers; and (c) ordering the Sacklers to return the funds transferred or their equivalent value.

PRAYER

WHEREFORE, plaintiff the State of Oregon, ex rel. Attorney General Ellen Rosenblum, prays for relief against defendants as follows:

- A. On the first claim for relief for a declaration that Purdue Pharma L.P., Purdue Pharma Inc., and the other entities in the Sackler Pharmaceutical Enterprise are

1 the alter egos of the Sacklers and the State may pierce the corporate and
2 partnership veils of each of those entities to recover any amounts owed to the
3 State that Purdue Pharma L.P. and Purdue Pharma Inc. are unable to satisfy.

4 B. On the second claim for relief, for a judgment in favor of the State and against
5 defendants restraining them from disposing of any property; enjoining the
6 Sacklers to return funds transferred or equivalent value; setting aside all
7 fraudulent conveyances; and for an award of reasonable attorney fees.

8 C. On the third claim for relief, for a judgment in favor of the State and against
9 defendants restraining them from disposing of any property; enjoining the
10 Sacklers to return funds transferred or equivalent value; and setting aside all
11 fraudulent conveyances.

12 D. Such other relief as the Court deems appropriate.

13 DATED this 16th day of May, 2019.

14
15 ELLEN ROSENBLUM
16 ATTORNEY GENERAL
17 FOR THE STATE OF OREGON

18 By: 

19 _____
20 David B. Markowitz, OSB #742046
21 DavidMarkowitz@MarkowitzHerbold.com
22 Harry B. Wilson, OSB #077214
23 HarryWilson@MarkowitzHerbold.com
24 Kristin M. Malone, OSB #151254
25 KristinMalone@MarkowitzHerbold.com
26 *Special Assistant Attorneys General
for Plaintiff*

David A. Hart, OSB #002750
Assistant Attorney-in-Charge
David.hart@doj.state.or.us
Of Attorneys for Plaintiff

868900