



1900, 144 – 4 AVENUE S.W.
CALGARY, ALBERTA
T2P 3N4

21 KING STREET WEST, SUITE 905
HAMILTON, ONTARIO
L8P 4W7

April 10, 2023

Dear Canadian Municipal Leaders,

Re: Invitation to Participate in Class Action Litigation on Opioid Epidemic

Our law firm, Napoli Shkolnik Canada, is contacting Canadian municipalities regarding a class action that seeks to recover damages incurred to abate the opioid crisis that has affected communities throughout Canada.

The primary goal of this class action is to secure compensation from opioid manufacturers and distributors who have played a significant role in the proliferation of this devastating epidemic. We aim to establish a fund for opioid abatement programs that are specifically designed for and managed by Canadian municipalities. These programs will focus on addressing the ongoing opioid crisis and providing support for addiction treatment, education, prevention initiatives, and other programs that are tailored to the needs of each community.

Enclosed with this letter, you will find a summary of the case that outlines the theory of liability and damages sought. We have also included a questionnaire for your municipality to complete and return to our law firm. The information provided in the questionnaire will help us better understand the impact of the opioid epidemic on your community and tailor our litigation plan to meet any specific needs of your municipality.



We understand the importance of addressing the opioid crisis in a comprehensive, effective, and all-inclusive manner. Our law firm is dedicated to working closely with you and other municipal leaders to ensure your claim is heard and your rights are protected throughout this legal process.

Please complete the enclosed questionnaire and return it to our office. If you have any questions or require further information, please do not hesitate to contact me at cchurko@napolilaw.com, and I can answer any concerns or provide any additional information you may require.

Napoli Shkolnik Canada shares a history of representing municipal governments in opioid litigation. Our American affiliate has successfully represented states, counties, and municipalities in the United States and has recovered billions of dollars to combat the opioid epidemic.

Thank you for your consideration and participation in this important matter as we work to obtain the compensation that will help provide a better future for your community and its constituents.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey R. Churko".

Casey R. Churko

Enclosures:

1. Municipal Opioid Abatement Litigation Theory & Damages
2. Questionnaire – Municipalities Opioid Abatement



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**NAPOLI SHKOLNIK CANADA MUNICIPAL OPIOID ABATEMENT
CLASS ACTION LITIGATION**

The law firm of Napoli Shkolnik Canada has a long history of representing municipal governments in opioid litigation. Our U.S. affiliate has successfully represented states, counties and municipalities in the United States recovering billions of dollars on their behalf to combat the opioid epidemic.

Napoli Shkolnik Canada has filed a class action on behalf of all Canadian municipalities to recover their costs incurred in combating the opioid epidemic and to secure the funds necessary to implement abatement programs.

Below are examples of the damage that continues to be caused by opioids:

- Opioids claimed 34,455 deaths between January 2016 and September 2022.
- During the period 2010-2017 more than 4 billion dollars of prescription opioids were sold in Canada.
- There were more than 28,000 Emergency Medical Services (EMS) responses to suspected opioid-related overdoses in 2022 (January – September).
- Drug overdoses accounted for approximately 17% of all deaths among Canadians aged 30 to 39 in 2019, and 13% of deaths among those aged 40 to 49.
- 17 Canadian deaths per day on average in 2019 due to opioid overdoses.

THEORY OF LIABILITY

The claims against the manufacturers of opioid products include claims of “false or misleading” representations under the *Competition Act* of Canada and public nuisance under the common law. The overarching allegation against manufacturing defendants is that they employed various branded and unbranded marketing methods to disseminate the false message that opioid pain medications were not addictive and were safe for long term use. Defendants knew that opioids were effective treatments for short-term post-surgical and trauma-related pain, and for palliative (end-of-life) care; yet they also knew –and had known for years – that opioids were addictive and subject to abuse, particularly when used long-term for chronic non-cancer pain (pain lasting 3 months or longer) and should not be used except as a last-resort.

Defendants spent hundreds of millions of dollars:

- (a) developing and disseminating seemingly truthful scientific and educational materials and advertising that misrepresented the risks, benefits, and superiority of opioids to treat long-term chronic pain;
- (b) deploying sales representatives who visited doctors and other prescribers to deliver misleading messages about the use of opioids;
- (c) recruiting prescribing physicians as paid speakers to secure those physicians’ future “brand loyalty” and to extend their reach to all physicians;
- (d) funding, assisting, encouraging, and directing certain doctors, known as “key opinion leaders”, not only to deliver scripted talks, but also to draft misleading studies, present continuing medical education programs that were deceptive and lacked balance, and serve on the boards and committees of professional societies and patient advocacy groups that delivered messages and developed guidelines supporting chronic opioid therapy; and;
- (e) funding, assisting, directing, and encouraging seemingly neutral and credible professional societies and patient advocacy groups that developed educational materials and treatment guidelines that were then distributed by defendants, which urged doctors to prescribe, and patients to use, opioids over the long-term to treat chronic pain.

We are also bringing negligence claims against distributors of opioid products. Under Canadian law, wholesale distributors have a duty to report suspicious or alarming orders of opioid pharmaceuticals. Information is available to determine whether any defendants in this category did not meet this duty despite signals that these drugs were being abused, diverted, and misused within Canadian municipalities. In the United States, distributors such as McKesson, Cardinal Health, and AmerisourceBergen have already paid hundreds of millions of dollars in fines based on similar allegations.

THEORY OF DAMAGES

The class action seeks to achieve financial recovery for each municipality for the costs associated with the opioid epidemic, including (but not limited to) substance abuse programs, lost productivity, child and family services programs, care for the homeless, Narcan training and supplying, and increased law enforcement. The class action is intended to help municipalities receive funding to help in the fight against this epidemic.

Below is a preliminary list of examples of some costs and expenses that may be claimed in the class action against the manufacturers and distributors of opioids. These costs are related to departments within a municipality. Napoli Shkolnik is willing to work closely with municipalities and our experts in all aspects of the collection of information needed to prove damages and assist our clients in the collection of documents and data. The damages may include:

- Services for families impacted by opioid addiction and abuse
 - Family and child services
 - Increased staffing
 - Increased demand for care
 - Child support
 - Social services

- Law enforcement
 - Employee overtime
 - Narcan/Naloxone Hydrochloride Injection purchase and training
 - Establishment of task forces
 - Increase in investigation/increased crime
 - Jail/prison costs
 - Probation
 - Victim/family
 - Adult detention
 - Neighborhood safety
 - Victim witness

- Healthcare and first responders
 - Public health
 - Substance abuse programs
 - Drug education programs
 - Drug prevention programs
 - Treatment centers/rehab
 - Mental health facilities
 - Fire
 - EMT/ambulance

- Environmental
 - Water and pipe damage
 - Improper disposal of needles and other paraphernalia
 - Infrastructure
 - Park and recreational facilities clean up

- “Loss” in various other forms
 - Loss of productivity
 - Travel and tourism
 - Premature death
 - Decreased labor participation
 - Increased crime
 - Increased employee absenteeism
 - Government assistance
 - Public safety
 - Costs to address the associated homeless crisis

Napoli Shkolnik Canada is committed to securing justice and financial relief for Canadian municipalities suffering from the devastating effects of the opioid epidemic. We are confident that our experience and expertise in opioid litigation, combined with our deep understanding of the complex legal landscape, make us uniquely positioned to represent the interests of all affected municipalities. By holding the manufacturers and distributors of opioid products accountable for their actions, we aim to recover damages, alleviate the financial burden, and ultimately contribute to the abatement of this public health crisis. Together, we can work towards restoring the well-being of our communities and ensuring a safer, healthier future for all Canadians.