

## **Purdue Pharma Chapter 11 Plan Thrown Out on Appeal**

---

Pullman & Comley Attorney Irve Goldman Represents Connecticut and Other States

December 16, 2021

*Law360*

On December 16, a New York federal judge overturned the confirmation of Purdue Pharma's Chapter 11 plan, finding that legal releases that would shield members of the Sackler family from civil opioid lawsuits are not permitted under the bankruptcy code.

According to an article in *Law360* covering the opinion, "U.S. District Court Judge Colleen McMahon ruled that the Bankruptcy Code does not authorize nonconsensual third-party releases against nondebtor parties, such as the releases for the Sacklers under the plan approved by the bankruptcy court."

Purdue entered bankruptcy in September 2019 after reaching a deal with 24 state governments to settle claims that the company's sales of OxyContin helped create the U.S. opioid crisis. Under the plan, the members of the Sackler family who own Purdue received releases of claims brought by third parties and agreed to give up their ownership of the company when the plan goes into effect, in addition to paying \$4.325 billion over nine years.

Connecticut Attorney General William Tong was among a group of attorneys general objecting to the plan. The State of Connecticut has been represented in the Purdue bankruptcy by Attorney Irve Goldman, who chairs Pullman & Comley's Bankruptcy and Creditors Rights practice. When the plan was approved by Judge Drain of the Bankruptcy Court in September, Connecticut, along with the attorneys general of California, Maryland, Washington, Rhode Island, Vermont, Delaware, Oregon and the District of Columbia appealed, arguing that a party that does not file for bankruptcy should not be granted releases of third-party claims without the approval of the claimants.

Irve currently represents the states of Connecticut, Delaware, Rhode Island, Vermont and Washington on the appeal, in conjunction with their respective Attorney General's and Solicitor General's offices and the law firm of Kleinberg Kaplan Wolff & Cohen PC.

In a statement, Attorney General Tong said: "This is a seismic victory for justice and accountability that will re-open the deeply flawed Purdue bankruptcy and force the Sackler family to confront the pain and devastation they have caused."

---

**[pullcom.com](http://pullcom.com)**  [@pullmancomley](https://twitter.com/pullmancomley)

**BRIDGEPORT**  
203.330.2000

**HARTFORD**  
860.424.4300

**SPRINGFIELD**  
413.314.6160

**STAMFORD**  
203.324.5000

**WATERBURY**  
203.573.9700

**WESTPORT**  
203.254.5000

**WHITE PLAINS**  
914.705.5355

## **Purdue Pharma Chapter 11 Plan Thrown Out on Appeal**

---

To read the full article on Law360, subscribers may access it here: <https://www.law360.com/articles/1449669/purdue-pharma-s-ch-11-plan-is-unraveled-on-appeal>.

The decision has also received extensive coverage in international press including *The Wall Street Journal* and *The New York Times*.

### **Professionals**

Irve J. Goldman

### **Practice Areas**

Bankruptcy, Creditors' Rights and Financial Restructuring  
Litigation