



IN THE DISTRICT COURT OF CLEVELAND COUNTY NOV 20 2018
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel.,)
MIKE HUNTER,)
ATTORNEY GENERAL OF OKLAHOMA,)
)
Plaintiff,)

In the office of the
Court Clerk MARILYN WILLIAMS

vs.)

Case No. CJ-2017-816

Judge Thad Balkman

(1) PURDUE PHARMA L.P.;)
(2) PURDUE PHARMA, INC.;)
(3) THE PURDUE FREDERICK COMPANY,)
(4) TEVA PHARMACEUTICALS USA, INC.;)
(5) CEPHALON, INC.;)
(6) JOHNSON & JOHNSON;)
(7) JANSSEN PHARMACEUTICALS, INC,)
(8) ORTHO-MCNEIL-JANSSEN)
PHARMACEUTICALS, INC., n/k/a)
JANSSEN PHARMACEUTICALS;)
(9) JANSSEN PHARMACEUTICA, INC.,)
n/k/a JANSSEN PHARMACEUTICALS, INC.;)
(10) ALLERGAN, PLC, f/k/a ACTAVIS PLC,)
f/k/a ACTAVIS, INC., f/k/a WATSON)
PHARMACEUTICALS, INC.;)
(11) WATSON LABORATORIES, INC.;)
(12) ACTAVIS LLC; and)
(13) ACTAVIS PHARMA, INC.,)
f/k/a WATSON PHARMA, INC.,)
)
Defendants.)

ORDER OF SPECIAL DISCOVERY MASTER

NOW, on this 20th day of November, 2018, the above and entitled matter comes on for ruling by the undersigned having heard argument thereon on November 13, 2018.

Argument was heard regarding State's Motion for Reconsideration of the May 23rd Order granting non-party Stephen Ives' request to quash the subpoena and notice. The undersigned having reviewed both State's motion and all Responses thereto finds as follows:

On May 23rd, the undersigned found State's request to notice and depose Mr. Ives to be premature and granted the motion to quash. State now argues circumstances have changed establishing relevant or potentially relevant evidence that could be produced through Mr. Ives

concerning numerous areas such as the Sackler family ownership interests and relationship to particularly Rhodes Pharmaceutical and related entities created right after the criminal guilty plea in 2007. State also argues relevancy of the financial structure, funding structure and financial relationship between the Sackler family, Purdue Pharmaceutical entities and Rhodes Pharmaceutical entities. State argues it is now necessary to explore the accounting and financial functions of Purdue related to the potential for bankruptcy and the relationship between Purdue and other related entities such as Rhodes. Non-party Ives argues and continues to deny any connection with Rhodes or any knowledge of its accounting and financial functions, or the likelihood of funds being funneled in anticipation of bankruptcy or to avoid civil litigation exposure through Rhodes.

State has argued it will not seek information protected by proper privilege but will explore Mr. Ives' knowledge and or participation in generally, marketing practices, company structure, the creation of marketing programs, his knowledge of how they were done and funded and, financial distributions to shareholders, shareholder entities and other conduct known to him designed to promote and market pharmaceutical products at issue or prepare for possible Purdue bankruptcy.

The undersigned has heard argument and seen evidence that supports a relationship between Purdue Pharmaceutical and other related entities such as Rhodes, relevant to the facts at issue in this case. The Sackler family is participating in the defense of litigation being prosecuted in Federal Court consolidated into the MDL and evidence has demonstrated Mr. Ives is included and noticed in many e-mail matrix chains, has participated in reviewing documentation regarding sales and promotion efforts and in expanding the European market. It has been shown he is also involved and noticed regarding all financial statement communications and he is shown in Board meeting minutes as an "agent" for Purdue who benefits from an indemnity agreement with Purdue Pharmaceutical. His knowledge and participation appears to include notice and input into other relevant contexts such as the "Pain Care Forum", and in summary, State argues it is entitled to discover what Mr. Ives' participation is or is not and the extent of his knowledge regarding the issues relevant to claims made in this case.

The undersigned ordered and received the proposed scope of the deposition as well as a response from Mr. Ives.

State's evidence presents sufficiently convincing facts to grant its request to reconsider in part, and the same is **Sustained** and objection thereto **OVERRULED** to the extent State will be allowed to take the deposition of Mr. Ives with such deposition Ordered to take place within fifteen (15) working days and limited in scope to the following:

1. Mr. Ives' relationship to and knowledge of the Purdue defendants and any related entities and affiliates, including any company owned in whole or in part by Purdue or any owners of Purdue to include Rhodes Pharma, Rhodes Technology, Mundipharma, M3C Holdings LLC or other related "affiliates" or entities;

2. The 2004 indemnification agreement Purdue Frederick company executed in favor of Mr. Ives and any other participation agreements or compensation agreements between Mr. Ives and any Purdue defendant or related company or affiliate;
3. Mr. Ives' relationship with anyone involved in or related to Purdue defendants, related companies or affiliates to include the Sackler family, other board members or officers and employees of Purdue;
4. Mr. Ives' interaction/relationship with any individual described on the exhibit identified as "PKY183307514";
5. Mr. Ives' knowledge of any funds generated by any Purdue defendant and used for marketing, advertising or lobbying in Oklahoma related to the pharmaceutical industry or industry groups who act or have acted to distribute, promote or market Purdue defendant or related entity or affiliate products in the State of Oklahoma;
6. Mr. Ives' knowledge of/participation in the financial management of Purdue Company or affiliate accounting and financial functions that corporate designee Mr. Keith Darragh was unable to answer;
7. Mr. Ives' knowledge of or participation with the Sackler family in specific decision-making or specific Sackler family funding mechanisms which contributed to the determination/funding of policy or procedures relevant to the production of, marketing, financing or promoting of (promotion and front groups, etc.) Purdue or related entities' (to include Rhodes entities) products in the State of Oklahoma.

State fails to show sufficient evidence to justify unfettered exploration into the Sackler family assets, investments, trusts, beneficiaries and other entity or financial instruments related to the family, to include that of Cheyenne Petroleum. I further find the evidence insufficient to justify inquiry into Mr. Ives "operation of any Sackler family investment office in Oklahoma City, including any companies, trusts, beneficiaries, endowments, grants, or other entity or financial instrument (whether or not also located in Oklahoma City) related to such family office." Further, the Ives deposition shall be limited to a total of eight hours.

It is so **Ordered** this 20th day of November, 2018.


William C. Hefner, Jr.
Special Discovery Master