

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PURDUE PHARMA L.P., et al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 19-23649 (RDD)**

**(Jointly Administered)**

**NOTICE OF HEARING ON APPLICATION OF DEBTORS FOR AN ORDER  
AUTHORIZING THEM TO RETAIN AND EMPLOY JONES DAY AS  
SPECIAL COUNSEL, NUNC PRO TUNC TO THE PETITION DATE**

**PLEASE TAKE NOTICE** that on December 5, 2019, Purdue Pharma L.P. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) filed the *Application of the Debtors for an Order Authorizing Them*

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.



*to Retain and Employ Jones Day as Special Counsel, Nunc Pro Tunc to the Petition Date* (the “**Application**”).

**PLEASE TAKE FURTHER NOTICE** that the Debtors will present the Application to the Honorable Robert D. Drain, United States Bankruptcy Judge, for approval and signature on **December 19, 2019 at 2:00 p.m. (prevailing Eastern Time)**. A copy of the Application is attached hereto as **Exhibit A**.

**PLEASE TAKE FURTHER NOTICE** that, unless a written objection to the Application is served and filed with proof of service with the Clerk of the Court, and a courtesy copy is delivered to the undersigned and to the chambers of the Honorable Robert D. Drain, so as to be received by **December 16, 2019 at 4:00 p.m. (Eastern Time)**, there will not be a hearing to consider such Application, and such Application may be signed and entered by the Court.

**PLEASE TAKE FURTHER NOTICE** that, if a written objection is timely filed and served with respect to the Application, a hearing (the “**Hearing**”) will be held to consider such Application before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601, on **December 19, 2019 at 2:00 p.m. (prevailing Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that objecting parties are required to attend the Hearing and a failure to appear may result in relief being granted upon default.

**PLEASE TAKE FURTHER NOTICE** that copies of the Application may be obtained free of charge by visiting the website of Prime Clerk LLC at <https://restructuring.primeclerk.com/purduepharma>. You may also obtain copies of any pleadings by visiting the Bankruptcy Court’s website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: December 5, 2019  
New York, New York

DAVIS POLK & WARDWELL LLP

By: /s/ Eli J. Vonnegut

450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Counsel to the Debtors  
and Debtors in Possession*

**Exhibit A**

**Application**

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 701-5800  
Marshall S. Huebner  
Benjamin S. Kaminetzky  
Timothy Graulich  
Eli J. Vonnegut

*Counsel to the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 19-23649 (RDD)

(Jointly Administered)

**APPLICATION OF THE DEBTORS FOR AN ORDER  
AUTHORIZING THEM TO RETAIN AND EMPLOY JONES DAY  
AS SPECIAL COUNSEL, *NUNC PRO TUNC* TO THE PETITION DATE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) submit this application (this “Application”), pursuant to section 327(e) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2014-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”) and consistent with the *U.S. Trustee*

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

*Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013* (the “U.S. Trustee Guidelines”), for the entry of an order, in substantially the form attached as Exhibit A (the “Proposed Order”), (a) authorizing the Debtors to retain and employ Jones Day as special counsel in these chapter 11 cases, *nunc pro tunc* to the Petition Date (as defined below) and (b) granting certain related relief. In support of this Application, the Debtors: (a) submit (i) the *Declaration of Marc L. Kesselman in Support of the Application of the Debtors for an Order Authorizing Them to Retain and Employ Jones Day as Special Counsel, Nunc Pro Tunc to the Petition Date* (the “Debtors’ Declaration”), a copy of which is attached hereto as Exhibit B; and (ii) the *Declaration of John J. Normile in Support of the Application of the Debtors for an Order Authorizing Them to Retain and Employ Jones Day as Special Counsel, Nunc Pro Tunc to the Petition Date* (the “Normile Declaration”), a copy of which is attached hereto as Exhibit C; and (b) further respectfully represent as follows:

#### **JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012 (the “Amended Standing Order”). Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

#### **BACKGROUND**

2. On September 15, 2019 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Office of the United States

Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors on September 27, 2019 [Docket No. 131].

3. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [Docket No. 59].

4. Additional information regarding the Debtors and these chapter 11 cases, including the Debtors’ businesses, corporate structure, financial condition and reasons for and objectives of these cases, is set forth in the *Debtors’ Informational Brief* filed on September 16, 2019 [Docket No. 17] and incorporated herein by reference.

### **RELIEF REQUESTED**

5. The Debtors request entry of an order, substantially in the form of the Proposed Order, (a) authorizing them to retain and employ Jones Day as special counsel with respect to the matters discussed below and consistent with the terms of the Engagement Letter, *nunc pro tunc* to the Petition Date, and (b) granting certain related relief.

### **BASIS FOR RELIEF REQUESTED**

#### **A. Jones Day’s Qualifications**

6. Jones Day was initially engaged by the Debtors in 2004 to represent the Debtors in connection with intellectual property prosecution and litigation, including Hatch-Waxman patent litigation and related matters. Additionally, over the years Jones Day has provided the Debtors with general intellectual property related counseling and opinion work. Over the course of the engagement, Jones Day attorneys have worked closely with the Debtors’ management and in-house counsel and, as a result, have acquired extensive knowledge of the Debtors’ history, intellectual property portfolio, litigation needs and related matters.

7. Jones Day is one of the largest law firms in the world, with a national and international practice, and has substantial experience in intellectual property and patent litigation. Its intellectual property group consists of more than 220 professionals, including more than 200 attorneys, each playing a significant role in a wide array of offensive and defensive litigation facing clients in various industries. Jones Day regularly plays a leading role in significant patent litigation matters, including those involving pharmaceutical companies.

8. Accordingly, Jones Day is well qualified to serve as the Debtors' special counsel in connection with intellectual property related litigation and counseling matters in these chapter 11 cases.

**B. Jones Day Services**

9. As of the Petition Date, Jones Day represented the Debtors in several active patent litigation matters, including:

- (a) *Purdue Pharma, L.P. v. Collegium Pharmaceutical, Inc.*, No. 15-13099 (FDS) (D. Mass.);
- (b) *Purdue Pharma L.P. et al. v. Intellipharmaeautics Corp.*, No. 18-00404 (RGA) (D. Del); and
- (c) *Purdue Pharma L.P. et al. v. Intellipharmaeautics Corp.*, No. 17-00392 (RGA) (D. Del).
- (d) *Collegium Pharmaceutical, Inc. v. Purdue Pharma L.P. et al.*, PGR2018-00048 (P.T.A.B.).

10. Jones Day also intends to file a petition for writ of certiorari seeking review of *Purdue Pharma L.P. v. Iancu*, 767 F. App'x 918 (Fed. Cir. 2019). In addition to the aforementioned litigation, Jones Day provides the Debtors with general intellectual property related counseling and opinion work.

11. All of the Debtors' active patent litigation matters are currently stayed in light of the Debtors' ongoing bankruptcy proceedings. On September 20, 2019, Judge Saylor issued a



stay of District of Massachusetts case No. 15-13099. Judge Saylor gave the parties permission to advise the court of developments and to seek leave to lift or modify the stay pending further developments in the bankruptcy.

12. On October 2, 2019, the P.T.A.B. issued a stay of PGR2018-00048 and extended the time to administer the proceeding by six months.

13. On October 3, 2019, Judge Andrews issued a stay of District of Delaware litigations Nos. 18-00404 and 17-00392. The court instructed the parties to provide a status report update no later than December 15, 2019. Subsequent to receiving the status report, Judge Andrews will determine whether the stay should continue, or if these cases should proceed to trial.

14. The terms and conditions of Jones Day's retention and its compensation as part of the Debtors' chapter 11 cases are set forth in the engagement letter between the Debtors and Jones Day (the "Engagement Letter"), copy of which is attached as Exhibit 1 to the Proposed Order.<sup>2</sup> The Debtors propose that, subject to the Court's approval, Jones Day will continue to provide legal services to the Debtors with respect to the matters described above and in the Engagement Letter. Should the scope of Jones Day's services expand beyond the scope discussed herein and in the Engagement Letter, Jones Day will file a supplemental retention application with the Court.

15. Due to Jones Day's experience and knowledge in the areas for which legal services will be provided, as well as the firm's long-standing relationship with the Debtors in connection therewith, the Debtors respectfully submit that Jones Day is uniquely qualified to

---

<sup>2</sup> Any references to, or descriptions of, the Engagement Letter herein are qualified by the express terms of the Engagement Letter, which shall govern if there is any conflict between the Engagement Letter and the descriptions provided herein.

represent the Debtors in connection with their intellectual property needs during the course of these chapter 11 cases.

**C. Compensation and Fee Applications**

16. Pursuant to the terms of the Engagement Letter, and subject to this Court's approval of this Application, Jones Day intends to: (a) charge for its legal services on an hourly basis in accordance with the ordinary and customary hourly rates in effect on the date services are rendered, and (b) seek reimbursement of actual and necessary out-of-pocket expenses.<sup>3</sup>

17. Prior to the Petition Date, the Debtors and Jones Day agreed to a discounted fee arrangement. Jones Day's standard hourly rates are based on the professionals' level of experience and are subject to review and adjustment – typically, on an annual basis. As part of the discounted fee arrangement, Jones Day agreed to charge the Debtors previous year's billable rates (*i.e.*, for 2019, Jones Day used 2018 billable rates in calculating amounts due for legal services performed). The total invoices were also subject to a ten percent (10%) discount. Additionally, Jones Day and the Debtors agreed to an arrangement that allowed the Debtors to take an additional four percent (4%) discount on fees only, if paid in full within ten (10) days of the date of the invoice, and three percent (3%) discount on fees only, if paid in full within fifteen (15) days of the date of the invoice. Jones Day and the Debtors agreed to maintain this discounted fee arrangement following the Petition Date.

18. The names, positions, resident offices and current hourly rates of those Jones Day lawyers currently expected to continue providing services to the Debtors are attached as Schedule 1 to the Normile Declaration. Jones Day's hourly fees are comparable to those charged

---

<sup>3</sup> The hourly rates charged by Jones Day professionals differ based on, among other things, the professional's level of experience and the rates normally charged in the specific office in which the professional is resident. Jones Day does not adjust the billing rates of its professionals based on the geographic location of a bankruptcy case or other matter.

by attorneys of similar experience and expertise for engagements of the scope and complexity similar to the patent litigation and intellectual property matters handled by Jones Day. Further, these Jones Day professionals are subject to the same client-driven market forces, scrutiny and accountability as its professionals in non-bankruptcy engagements. For all of these reasons, Jones Day's rates are reasonable.

19. As referenced above, Jones Day's hourly billing rates are subject to periodic review and adjustments. Jones Day's practice of periodically adjusting its billing rates was disclosed to the Debtors in the Engagement Letter, and the Debtors have agreed to pay these modified rates pursuant to the Engagement Letter. According to section B(2)(d) of the U.S. Trustee Guidelines, Jones Day will provide justification of the reasonableness of any rate increase in the applicable fee application.<sup>4</sup>

20. Jones Day will maintain detailed, contemporaneous time records in six (6) minute intervals and apply to this Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines and any additional procedures that may be established by this Court in these chapter 11 cases.

21. Furthermore, Jones Day contemplates billing for its incurred expenses in the following expense categories: (a) copies; (b) outside printing; (c) telephone; (d) facsimile; (e) online research; (f) delivery services/couriers; (g) postage; (h) local travel; (i) out-of-town travel (including subcategories for transportation, hotel, meals, ground transportation, other); (j) meals (local); (k) court fees; (l) subpoena fees; (m) witness fees; (n) deposition transcripts;

---

<sup>4</sup> Like many of its peer law firms, Jones Day increases the hourly billing rate of attorneys and para-professionals periodically in the form of step increases in the ordinary course on the basis of advancing seniority and promotion. The step increases do not constitute "rate increases" (as the term is used in the U.S. Trustee Guidelines). Accordingly, Jones Day does not intend to provide a separate justification for such step increases.

(o) trial transcripts; (p) trial exhibits; (q) litigation support vendors; (r) experts; (s) investigators; (t) arbitrators/mediators; and (u) other.

22. Jones Day will consult with the U.S. Trustee regarding any suggested alterations to these fee and expense categories.

**D. Jones Day's Disclosures**

23. The Normile Declaration, incorporated herein by reference, discloses Jones Day's connections to the Debtors and parties in interest in these chapter 11 cases. In reliance on the Normile Declaration, and except as set forth therein, the Debtors believe that Jones Day does not: (a) represent or hold any interest adverse to the Debtors or their estates with respect to the matters on which Jones Day seeks to be employed and Jones Day will not represent any interest adverse to the Debtors in these chapter 11 cases; or (b) have any connection with the Debtors, any creditors or other parties in interest, their respective attorneys and accountants, or the United States Trustee or any of its employees.

**E. Professional Compensation**

24. The Debtors from time to time have provided Jones Day with advance payments to maintain a retainer for professional services to be rendered and expenses to be incurred by Jones Day. Most recently, on August 5, 2019, the Debtors provided Jones Day with an advance payment of \$750,000 (the "Retainer"). Subsequent thereto, Jones Day (a) issued invoices to the Debtors and (b) applied the Retainer to outstanding pre-petition invoices.<sup>5</sup>

25. Jones Day requests that it is permitted to treat the Retainer as an evergreen retainer and held by Jones Day as security throughout these chapter 11 cases. Jones Day will not

---

<sup>5</sup> Specifically, Jones Day applied a portion of the Retainer in the amount of \$84,851.08 to outstanding pre-petition invoices. The Retainer balance is being held in an escrow account. As of the date of this Application, the Retainer balance was \$665,148.92.

receive any further Retainers unless pursuant to Court order, and will not draw upon the Retainer except pursuant to the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules.

**STATEMENT REGARDING U.S. TRUSTEE GUIDELINES**

26. Jones Day intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, the U.S. Trustee Guidelines and any other applicable procedures and orders of this Court.

27. The following information is provided in response to the request for additional information set forth in Paragraph D.1 of the U.S. Trustee Guidelines:

1. **Question:** Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

Response: Prior to the Petition Date, the Debtors and Jones Day agreed to a discounted fee arrangement. Jones Day and the Debtors agreed to maintain this discounted fee arrangement following the Petition Date.

2. **Question** Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

Response: No.

3. **Question:** If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

Response: Since its representation of the Debtors began, Jones Day has not changed its billing rates or material financial terms for the engagement, other than (a) regular, annual Firm-wide adjustments to its standard rates and (ii) Jones Day's agreement to set rates as described above. Jones

Day's rates and the financial terms of the engagement have been the same prepetition and postpetition.

4. **Question:** Has your client approved your prospective budget and staffing plan, and, if so for what budget period?

Response The Debtors and Jones Day have discussed Jones Day's estimated fees and expenses and staffing related to these chapter 11 cases. Jones Day and the Debtors developed a budget and staffing plan for 2019 and 2020. The Debtors and Jones Day, however, recognize that there may be unforeseeable fees and expenses that will need to be addressed by the Debtors and Jones Day.

#### **LEGAL BASIS FOR RELIEF REQUESTED**

28. Section 327(e) of the Bankruptcy Code authorizes a debtor in possession to employ one or more attorneys to represent the debtor on specified matters so long as those attorneys do not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which they are to be employed. *See* 11 U.S.C. § 327(e). Moreover, section 1107(b) of the Bankruptcy Code provides that "a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case." 11 U.S.C. § 1107(b).

29. As required by Rule 2014(a) of the Bankruptcy Rules,<sup>6</sup> the above-described facts set forth in this Application and the information in the Exhibits attached hereto set forth: (a) the

---

<sup>6</sup> Rule 2014(a) of the Bankruptcy Rules provides that an application seeking the employment of professional persons pursuant to section 327 of the Bankruptcy Code:

shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. The application shall be accompanied by a verified statement of the person to be employed setting forth the person's connections with the debtor, creditors, any other party in interest, their respective attorneys

specific facts showing the necessity for Jones Day's continued employment; (b) the reasons for the Debtors' selection of Jones Day as their special counsel in connection with these chapter 11 cases; (c) the professional services proposed to be provided by Jones Day; (d) the arrangement between the Debtors and Jones Day with respect to Jones Day's compensation, including information on retainers and hourly fees and the reasonableness thereof; and (e) to the best of the Debtors' knowledge, the extent of Jones Day's connections, if any, to certain parties in interest in these matters. Accordingly, Jones Day's retention by the Debtors should be approved.

**NOTICE**

30. The Debtors will provide notice of this Application to: (a) the entities on the Master Service List (as defined in the Case Management Order and available on the Debtors' case website at <https://restructuring.primeclerk.com/purduepharma>) and (b) any person or entity with a particularized interest in the subject matter of this motion. The Debtors respectfully submit that no further notice is required.

**NO PRIOR REQUEST**

31. No prior request for the relief sought herein has been made to this Court or any other court.

*[Remainder of page left blank intentionally]*

---

(continued...)

and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Bankruptcy Rule 2014(a).

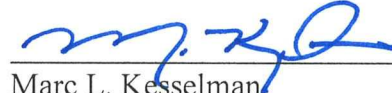
WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order and granting such other and further relief as may be appropriate.

Dated: December 5, 2019  
New York, New York

Respectfully submitted,

**PURDUE PHARMA L.P.**

(for itself and on behalf of its affiliates that are  
debtors and debtors in possession)



---

Marc L. Kesselman  
Senior Vice President, General Counsel &  
Corporate Secretary  
Purdue Pharma L.P.



**EXHIBIT A**

**PROPOSED ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re:	:	Chapter 11
	:	
PURDUE PHARMA L.P., <i>et al.</i> ,	:	Case No. 19-23649 (RDD)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	

---

**ORDER AUTHORIZING THE DEBTORS  
TO RETAIN AND EMPLOY JONES DAY AS SPECIAL  
LITIGATION COUNSEL, *NUNC PRO TUNC* TO THE PETITION DATE**

---

This Court has considered the *Application of the Debtors for an Order Authorizing Them to Retain and Employ Jones Day as Special Counsel, Nunc Pro Tunc to the Petition Date* (the “Application”),<sup>2</sup> the Debtors’ Declaration, the Normile Declaration and the statements of counsel and the evidence adduced with respect to the Application at any hearing before this Court (the “Hearing”). This Court has found that (a) this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order, (b) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (c) notice of the Application and any Hearing was sufficient under the circumstances and (d) Jones Day does not hold or represent any interest materially adverse to the Debtors’ estates. After due deliberation, this Court has

---

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

determined that the relief requested in the Application is in the best interests of the Debtors, their estates and their creditors;

**ACCORDINGLY, IT IS HEREBY ORDERED THAT:**

1. The Application is GRANTED as set forth herein.
2. The Debtors are authorized to retain and employ Jones Day as their special counsel in these chapter 11 cases, in accordance with section 327(e) of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Rule 2014-1 on the terms and conditions set forth in the Application and the Engagement Letter, *nunc pro tunc* to the Petition Date (the “Engagement”).
3. Jones Day is authorized to render the professional services set forth in the Application, the Normile Declaration and the Engagement Letter, as of the Petition Date.
4. Jones Day shall be compensated for its services and reimbursed for any related expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other applicable orders or procedures of this Court.
5. Jones Day shall provide reasonable notice to the Debtors, the Court, the U.S. Trustee and any statutory committee appointed in the chapter 11 cases of any annual increases in the rates set forth in the Application.
6. The Retainers shall be treated as an evergreen retainer and may be held by Jones Day as security throughout these chapter 11 cases.
7. Jones Day shall use its reasonable efforts to avoid any duplication of services provided by any of the Debtors’ other retained professionals in these chapter 11 cases.
8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.
9. This Order shall be immediately effective and enforceable upon its entry.

10. To the extent that this Order is inconsistent with the Engagement Letter, the terms of this Order shall govern.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation, implementation and/or enforcement of this Order.

Dated: \_\_\_\_\_, 2019  
White Plains, New York

---

THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Engagement Letter**

## JONES DAY

250 VESEY STREET • NEW YORK, NEW YORK 10281-1047  
TELEPHONE: +1.212.326.3939 • FACSIMILE: +1.212.755.7306

DIRECT NUMBER: (212) 326-3777  
JJNORMILE@JONESDAY.COM

December 3, 2019

ATTORNEY-CLIENT PRIVILEGED

### VIA ELECTRONIC TRANSMISSION

Marc L. Kesselman  
Purdue Pharma L.P.  
One Stamford Forum  
201 Tresser Boulevard  
Stamford, CT 06901

Re: Engagement Letter

Dear Marc:

Thank you for retaining Jones Day for this engagement. We are pleased that you have sought our counsel, and we look forward to assisting you on the matter described below. This letter sets forth the scope and terms of our engagement by Purdue Pharma L.P. (the “Company” or “you”), in connection with the following services (collectively, the “Matters”): providing intellectual property prosecution, litigation, counseling and opinion work as related to the Company’s proceedings (the “Chapter 11 Cases”) pending under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) before the Bankruptcy Court of the Southern District of New York (the “Bankruptcy Court”).

#### 1. Scope of Engagement and Client Relationship

While Jones Day enjoys broad relationships involving multiple matters for many clients, we do not act as general counsel for clients and our work and advice is limited to the specific matters on which we are engaged. Thus our relationship may expand beyond the Matters described above, but only if you and we agree to specific new or expanded engagements.

It is important to emphasize that we are entering into an attorney-client relationship only with the Company. That is, unless you and we agree otherwise, Jones Day is not representing any owner, employee, parent, subsidiary or other direct or indirect affiliate of the Company. If you believe that the Company’s personnel or any of its affiliates are unclear regarding the scope

JONES DAY

Marc L. Kesselman  
Purdue Pharma L.P.  
December 3, 2019

Page 2

of our representation, please advise them that Jones Day does not represent them or, if you prefer, let us know so we can explain the scope of our engagement to them.

2. Staffing

You have designated yourself as the person with responsibility for overseeing this matter and to whom we will report. I will have primary responsibility for this matter, and will rely on other lawyers at Jones Day to work as a team as we handle the necessary work on the matter. I will be the Partner generally responsible for our overall relationship with you, including matters related to billing and staffing. Our goal is to stay in close contact with you over the course of our engagement as we seek to provide the Company with timely, high quality legal services in a cost-efficient manner.

3. Potentially Adverse Representations or Conflicts of Interest; Advance Waiver

Jones Day represents many clients on a wide variety of matters in a number of different practice areas. A further description of our Firm and areas of practice is available on our website, at [www.jonesday.com](http://www.jonesday.com).

Just as you in the future may ask us to represent the Company in a matter that is directly adverse to one of our other clients, it is possible Jones Day will be asked in the future to represent another client in a matter that is directly adverse to you. We want you and our other clients to be able to choose Jones Day as their counsel on matters where it is appropriate to do so. Accordingly, you agree that Jones Day in the future may represent any existing or future client in any matter (but not a litigation or other dispute resolution matter) that is directly adverse to the Company. Your agreement to this waiver is based on two understandings as follows. First, Jones Day will not represent another client adverse to you in a matter that is substantially related to the Matters or to any other matters that we are handling for the Company. Second, to the extent Jones Day does represent a client adverse to you, Jones Day lawyers or other service providers who are then working for the Company will not work on that adverse matter for that other client and we will take steps to ensure that your confidential information is not shared with our lawyers or other time keepers involved in that adverse matter.

You also confirm that your agreement to this prospective waiver is voluntary and that you intend for it to be effective and enforceable and for Jones Day to rely upon it.

JONES DAY

Marc L. Kesselman  
Purdue Pharma L.P.  
December 3, 2019

Page 3

4. Compensation and Disbursements

Our fees are determined by the time devoted by each lawyer or other service provider involved in the engagement and the hourly billing rates assigned to each such person. As previously agreed, Jones Day agreed to charge the Company previous year's billable rates (*e.g.*, for 2019, Jones Day is using 2018 billable rates in calculating amounts due for legal services performed). The hourly rates (as adjusted) for our lawyers who are likely to be working on the Matters range from \$775 to \$1,275 for partners and \$425 and \$775 for associates. Our hourly rates are revised periodically, and we reserve the right to revise them from time to time during the course of our representation upon written notice to the Company. Additionally, as previously agreed, the total invoices are also subject to a ten percent (10%) discount. Finally, an additional four percent (4%) discount on fees only will be applied if an invoice is paid in full within ten (10) days of the date of the invoice. Such discount will be reduced to three percent (3%) if the invoice is paid in full within fifteen (15) days of the date of the invoice.

Unless we specifically agree in writing to the contrary, any fee estimate, budget, or projection of hours is not a commitment to cap our fees or perform the services within a fixed amount of time or for a fixed fee.

In addition to our fees, we expect our clients to defray certain costs and expenses incurred during our representation of them. Please note that although our charges for non-cash costs incurred by Jones Day reflect our good faith estimate of our actual, fully absorbed, out-of-pocket costs, those estimates may differ from our actual costs. Normally, disbursements and charges will be subject to reimbursement from the Company in the regular billing cycle. In some circumstances, however, such as in the case of particularly large items, we may ask the Company to pay these items directly or in advance.

We will submit billing statements to you on a monthly basis; all statements are due and payable upon presentation. If you have any question or concern about any billing statement, we ask that you raise it with us promptly upon your receipt of the statement.

Under Part 137 of the Rules of the Chief Administrator of the Courts in New York, you have the right to arbitrate any fee disputes as provided in that rule, a copy of which will be provided to you at your request.



Marc L. Kesselman  
Purdue Pharma L.P.  
December 3, 2019

Page 4

5. Bankruptcy Court Approval

Our employment by the Company is subject to the approval of the Bankruptcy Court. If necessary, we will modify the terms and conditions of our employment described above as may be required to comply with the applicable requirements of the Bankruptcy Code, including any orders of the Bankruptcy Court.

6. Audit Letter Issues

Our policy is to comply with the American Bar Association Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information regarding the scope and content of responses to requests to provide information to auditors, except when such ABA Policy is clearly inapplicable.

7. Procedures upon Termination; Return of Documents; Intellectual Property

Unless earlier terminated by you or us, our attorney client relationship will end once we have completed our last assignment for you. When our attorney client relationship has ended, either because we have completed our last assignment or the relationship has been terminated, Jones Day will close its file numbers for the remaining matters that are open at that time. Thereafter, and if you request, we will return your property in our possession. Specifically, and consistent with our professional obligations, we will return the following categories of documents unless we agree otherwise in writing: original materials that you provided to us; final documents of legal significance; final versions of briefs and other pleadings; final legal memoranda prepared for you; and transmitted correspondence substantively related to the representation. We may charge a reasonable fee to produce those materials, whether in an electronic or hard copy format, and we may also retain copies of those materials. In the course of our relationship, we may process and store materials that we receive from you in an electronic document handling and storage system and in that case we may return the paper copies to you or store those copies for return to you at the end of our relationship.

You agree that Jones Day will be free, on the later of the date set by bar requirements applicable to New York or seven years after the end of our relationship, to destroy or otherwise dispose of any documents or other materials, including electronic versions, relating to your representation and still in our possession without further notice to you.

We may retain all intellectual property and other know-how that we develop in the course of representing you, including subject matter expertise, whether or not preserved in written or

JONES DAY

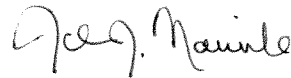
Marc L. Kesselman  
Purdue Pharma L.P.  
December 3, 2019

Page 5

electronic form. We may use that property in the course of representing other clients, so long as none of your confidential information is disclosed.

Please sign and return to us the enclosed copy of this letter in order to confirm that it accurately reflects the scope, terms and conditions with respect to this engagement. If you would like to discuss any of these matters, please give me a call.

Very truly yours,

A handwritten signature in black ink, appearing to read "John J. Normile". The signature is fluid and cursive, with the first name "John" and last name "Normile" clearly distinguishable.

John J. Normile

JONES DAY

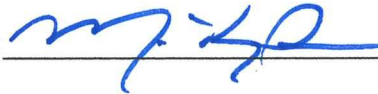
Marc L. Kesselman  
Purdue Pharma L.P.  
December 3, 2019

Page 6

On behalf of the Company, I agree to the terms of this letter and confirm that this letter accurately reflects the scope, terms and conditions with respect to this engagement and that I am authorized by the Company to sign this letter on its behalf.

Dated: December 5, 2019

Signature: \_\_\_\_\_



Name: Marc L. Kesselman

Title: Senior VP, General Counsel and  
Corporate Secretary

**EXHIBIT B**

**DEBTORS' DECLARATION**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

PURDUE PHARMA L.P., *et al.*,  
  
Debtors.<sup>1</sup>

Chapter 11

Case No. 19-23649 (RDD)

(Jointly Administered)

**DECLARATION OF MARC L. KESSELMAN IN SUPPORT OF THE  
APPLICATION OF THE DEBTORS FOR AN ORDER AUTHORIZING  
THEM TO RETAIN AND EMPLOY JONES DAY AS SPECIAL  
LITIGATION COUNSEL, *NUNC PRO TUNC* TO THE PETITION DATE**

Marc L. Kesselman, Purdue Pharma L.P.'s ("PPLP," and together with its affiliates that are debtors and debtors in possession in these proceedings, the "Company" or "Purdue") Senior Vice President, General Counsel & Corporate Secretary, in support of the *Application of the Debtors for an Order Authorizing Them to Retain and Employ Jones Day as Counsel, Nunc Pro Tunc to the Petition Date* (the "Application"),<sup>2</sup> declares as follows:

1. I am Senior Vice President and General Counsel of PPLP, a Delaware limited partnership headquartered in Stamford, Connecticut.
2. I am older than 21 years of age and suffer no legal disability. I am competent to make this declaration (the "Declaration").

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Applications.

3. My testimony herein is based upon my personal knowledge, unless stated otherwise.

4. If called to testify, I could and would testify to the matters stated herein.

5. I submit this Declaration in connection with the Application wherein the Debtors seek entry of an order authorizing the Debtors to employ and retain Jones Day as special counsel to provide the services described in the Normile Declaration *nunc pro tunc* to the Petition Date.

### **THE DEBTORS' SELECTION OF COUNSEL**

6. It is my strong belief that it is critical to select advisors with the utmost care to maximize the value of the Debtors' estates, while at the same time focusing on costs to ensure that the Debtors' limited resources are being appropriately utilized.

7. I, as Senior Vice President and General Counsel, along with several other members of the Debtors' senior management, am responsible for retaining and supervising outside counsel. I am familiar with the markets for professionals both in and out of bankruptcy, and the leading role Jones Day plays in significant offensive and defensive patent litigation.

8. Jones Day was initially engaged by the Debtors in 2004 to represent the Debtors in connection with intellectual property prosecution and litigation, including Hatch-Waxman patent litigation and related matters. Additionally, over the years Jones Day has provided the Debtors with general intellectual property related counseling and opinion work.

9. Due to Jones Day's experience and knowledge in the areas for which legal services will be provided, as well as the firm's long-standing relationship with the Debtors in connection therewith, the Debtors respectfully submit that Jones Day is uniquely qualified to represent the Debtors in connection with their intellectual property needs during the course of these chapter 11 cases.

**RATE STRUCTURE AND COST SUPERVISION**

10. Jones Day has informed the Debtors that its hourly rates for bankruptcy representations are comparable to (a) the hourly rates Jones Day charges for non-bankruptcy representations and (b) the rates of other comparably skilled professionals in the national marketplace for legal services. Having previously reviewed invoices from other large law firms, I can verify that the rates being charged by Jones Day in connection with this representation are within the range typically charged by similar firms in complex matters.

11. I am one of the individuals responsible for reviewing the invoices regularly submitted by Jones Day. The invoices regularly submitted by Jones Day are reviewed by attorneys employed by the Debtors under my ultimate supervision. I am informed that, other than periodic rate increases that occur in the ordinary course, the rates that Jones Day charged the Debtors in the prepetition period for restructuring and related services are the same as the rates that Jones Day will charge the Debtors in the postpetition period.

12. The Debtors and Jones Day have discussed Jones Day's estimated fees and expenses and staffing related to the services discussed in the Normile Declaration. Jones Day and the Debtors developed a prospective budget and staffing plan for 2019 and 2020. The Debtors, however, recognize that, during the course of these chapter 11 cases, it is possible that there may be matters that create the need for additional fees and expenses charged by Jones Day. The Debtors further recognize that it is their responsibility to monitor closely the billing practices of their special counsel to ensure the fees and expenses paid by the estates remain consistent with the Debtors' expectations and the exigencies of these chapter 11 cases. The Debtors will continue to review the invoices that Jones Day regularly submits, and, together with Jones Day, periodically amend the budget and staffing plans as these chapter 11 cases develop.

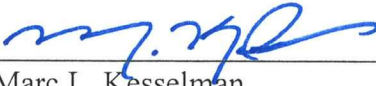
13. As they did prepetition, the Debtors will continue to closely supervise the fees and expenses reimbursement process. Jones Day's fees and expenses will be subject to review, comment and objection (if warranted), and Court approval pursuant to interim compensation procedures that provide for the interim allowance and payment of fees and expenses during the course of these chapter 11 cases. Jones Day's fees and expenses will be subject to periodic review on a monthly, interim and final basis during the course of these chapter 11 cases by the U.S. Trustee, any official committee and this Court, as well as by the Debtors.

*[Remainder of page left blank intentionally; signature page follows]*



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true  
and correct.

Dated: December 5, 2019  
New York, NY

By:   
\_\_\_\_\_  
Marc L. Kesselman  
Senior Vice President, General Counsel &  
Corporate Secretary  
Purdue Pharma L.P.