

**IN THE COURT OF COMMON PLEAS
OF DELAWARE COUNTY, PENNSYLVANIA
CIVIL DIVISION**

DELAWARE COUNTY, PENNSYLVANIA,	:	COURT OF COMMON PLEAS
	:	DELAWARE COUNTY, PENNSYLVANIA
	:	
Plaintiff,	:	
	:	CIVIL ACTION – LAW
v.	:	
	:	
PURDUE PHARMA, L.P., et al.,	:	NO. 2017-008095
	:	
Defendants.	:	

**SPECIAL MASTER’S REPORT AND RECOMMENDATION ON THE ALLOCATION
OF WAVE 2 AGREED LITIGATION CONDUCT (A/K/A COMMON BENEFIT FEES)**

This shall serve as the Special Master’s Report and Recommendation (the “Report and Recommendation”) regarding his recommendation for payment of Wave 2 Agreed Litigation Conduct (a/k/a Common Benefit) Fees (the “Wave 2 Final Common Benefit Awards” or the “Final Fee Awards”) from the Pennsylvania Opioid Fee Fund (the “Fee Fund”). The Wave 2 Common Benefit Awards relate to the settlements with Allergan Limited, Allergan Finance, LLC, Watson Laboratories, Inc., Actavis Pharma, Inc., Actavis LLC, Teva Pharmaceutical Industries, Ltd., Teva Pharmaceuticals USA, Inc., and Cephalon, Inc. (the “Teva/Allergan defendants”), as well as CVS Pharmacy, Inc., Walgreen Co., and Walmart, Inc. (the “Pharmacy defendants”) (collectively, “Wave 2”).

As will be discussed, the Special Master recommends that the Court approve the recommended Wave 2 Final Common Benefit Awards to the listed twelve (12) lawyers and law firms in Attachment A. The recommended Wave 2 Final Fee Awards, listed in Attachment A, are

identical to the earlier-issued Wave 2 Preliminary Awards, to which there were no objections. Pursuant to the applicable Order, all objections to this Report and Recommendation shall be served within ten (10) days of service.¹

I. EXECUTIVE SUMMARY

On August 2, 2022, the Court appointed the undersigned, the Hon. Joel Schneider (Ret.), as the “Special Master” to oversee and allocate the Fee Fund and, *inter alia*, to design and implement processes and procedures for allocating Common Benefit Fees. *See* Aug. 2, 2022, Order at §II.A, pp. 8-11. In 2023, the Special Master undertook an extensive review of the submitted time related to the 2021 Settling Defendants² and issued his *Special Master’s Report and Recommendation on the Allocation of Agreed Litigation Conduct (a/k/a Common Benefit Fees)* on January 29, 2024 (the “Wave 1 Special Master’s Report”). The Wave 1 Common Benefit fee awards were approved by the Honorable Barry C. Dozor on February 16, 2024. *See* February 16, 2024, *Order Approving Final Agreed Litigation Conduct (a/k/a Common Benefit Fee Awards)*.

On November 13, 2024, the Court entered the *Order Granting Plaintiffs’ Motion to Add Funds to the Pennsylvania Opioid Fee Fund*, which governed the attorneys’ fees and costs to be distributed by the Fee Fund for the Wave 2 settlements (the “Nov. 13, 2024, Order”). The Nov. 13, 2024, Order indicated that the methodology for disbursing the Wave 2 settlement attorneys’ fees and costs shall follow the Aug. 2, 2022, Order, including the sections relating to the Special Master and awards for common benefit fees. *See* Nov. 13, 2024, Order at §I.B, pp. 4-5.

¹ *See* September 16, 2025, *Order Establishing Application Protocols for the Reimbursement of Costs and Expenses and the Allocation and Payment of Agreed Litigation Conduct (“Common Benefit”) and Contingency Fees Under the First Amended and Restated Pennsylvania Opioids Trust and Allocation Order for Wave 2 Settlements* (the “Sept. 16, 2025, Order”).

² Defendant families Johnson & Johnson, McKesson, Cardinal Health, and AmerisourceBergen (the “Wave 1 Defendants” or the “Wave 1 Settlements”).

The Special Master has thoroughly evaluated and considered all relevant Wave 2 submissions from all Fee Applicants, in accordance with the governing Orders and eligibility requirements. The Special Master has also confirmed that all eligibility and procedural requirements in the applicable Orders have been met and that all Fee Applicants have received the required notice and opportunity to comment on and object to their recommended Awards. For the reasons discussed in detail *infra*, the Special Master recommends that the law firms listed in this Report and Recommendation be reimbursed the total amount of \$3,537,068.91 for their common-benefit work. The recommended Final Fee Awards are as follows:

	FIRM	FINAL AWARD	ANNUAL PAYMENT (Over 5 years)
1.	Baron & Budd, P.C.	\$2,258,926.99	\$451,785.40
2.	Boni Law Firm LLC (formerly Boni, Zack & Snyder, LLC)	\$73,786.41	\$14,757.28
3.	David Kairys	\$11,843.52	\$2,368.70
4.	Dilworth Paxon, LLP	\$169,264.16	\$33,852.83
5.	Feldman, Shepherd Wohlgerlinter Tanner Weinstock Dodig, LLP	\$93,597.52	\$18,719.50
6.	Marc J. Bern & Partners LLP	\$108,820.43	\$21,764.09
7.	Motley Rice LLC	\$189,182.42	\$37,836.48
8.	Pogust Goodhead, LLC	\$13,569.25	\$2,713.85
9.	Saltz Mongeluzzi & Bendesky, P.C.	\$209,994.12	\$41,998.82
10.	Scott & Scott Attorneys at Law, LLP	\$6,314.92	\$1,262.98
11.	Sheller, P.C.	\$2,296.34	\$459.27
12.	Simmons Hanly Conroy, LLC	\$399,472.82	\$79,894.56
	TOTAL	\$3,537,068.91	\$707,413.78

These recommended Wave 2 Final Fee Awards are identical to the previously issued Wave 2 Preliminary Fee Awards, to which no objections were filed. The Special Master does not anticipate any objections to these recommended Wave 2 Final Fee Awards. The applicable

Orders provide that if no objections are served to the Preliminary Fee Awards, the Fee Applicant waives any objection to the recommended Final Fee Awards. *See, e.g.,* Sept. 16, 2025, Order at §VI.D, p. 16.

A detailed discussion of the process that led to these recommended Wave 2 Final Fee Awards follows. In short order, the Special Master will file a formal application for approval of the Wave 2 Final Fee Awards, accompanied by a proposed order.

II. BACKGROUND

A. Overview of the Litigation

Delaware County filed the first opioid case in the Commonwealth of Pennsylvania on September 21, 2017. In early 2018, Delaware County moved jointly with the defendants for pretrial coordination and became the focal point for the Pennsylvania Consolidated Proceedings pending in the Court of Common Pleas of Delaware County, Pennsylvania Civil Division, Civil Action – Law No. 2017-008095 (the “Coordinated Proceedings”). The Honorable Barry C. Dozor managed the Coordinated Proceedings. The Coordinated Proceedings progressed from 2019 to 2021. However, due to the novel issues presented, there was uncertainty about whether the plaintiffs could obtain any financial recovery.

In 2021, a settlement agreement was reached with the Wave 1 Defendants. *See* Wave 1 Special Master’s Report at §II.A, p. 3. Subsequently, the Court entered the Aug. 2, 2022, Order establishing the Fee Fund and approved the Final Common Benefit Fee Awards for work concerning the Wave 1 Defendants on February 16, 2024. *See* Aug. 2, 2022, Order; February 16, 2024, *Order Approving Final Agreed Litigation Conduct (a/k/a Common Benefit) Fee Awards*. Between November and December 2022, five additional Defendant families – the Wave 2 Defendants – entered National Opioids Settlements. *See* Sept. 16, 2025, Order at p. 2.

B. Amount Available for Common Benefit Fees

The Pennsylvania Opioid Misuse and Addiction Abatement Trust (the “Trust”) was established under this Court’s Order dated July 12, 2022, for the purpose of distributing Trust funds obtained by the Commonwealth and its subdivisions under the settlement agreements with the Wave 1 Defendants. *See Pennsylvania Opioid Misuse and Addiction Abatement Trust*, 244 MD 2022 and 243 MD 2022. The Pennsylvania Opioid Fee Fund was created and held in a separate account subject to the jurisdiction of this Court, consistent with the terms of the Trust, and pursuant to 42 P.S. § 2503(8). *See Aug. 2, 2022 Order Granting Plaintiffs’ Motion to Establish a Pennsylvania Opioid Fee Fund and Appoint a Special Master to Determine and Disburse Attorneys’ Fees and Establish a Procedure for Reimbursing Counsel for Documented Expenses and Costs* at §I, p. 2.

The Trust was amended and restated in its entirety on October 15, 2024, “with certain changes made to address the distribution of funds to be received pursuant to the Teva Settlement Agreement, the Allergan Settlement Agreement, the CVS Settlement Agreement, the Walgreens Settlement Agreement, and the Walmart Settlement Agreement” (the “Amended Trust”). *See Oct. 15, 2024 First Amended and Restated Pennsylvania Opioid Misuse and Addiction Abatement Trust Order* at p. 2. The Nov. 13, 2024, Order was entered as an adjunct to the Pennsylvania Opioids Trust and Allocation Order entered in 244 MD 2022 and 243 MD 2022. *See Nov. 13, 2024, Order* at 2.

Consistent with the terms of the Trust and pursuant to 42 P.S. § 2503(8), the Wave 2 Defendants’ settlement attorney fees and costs are to be distributed by the Pennsylvania Opioid Fee Fund established by the August 2, 2022, Order. *Id.* at § I.B, p. 4. The Fee Fund is held in an

account subject to the jurisdiction of this Court to be disbursed in a manner consistent with the Order. *See* Aug. 2, 2022, Order at §I, p. 2; Nov. 13, 2024, Order at §I, p. 2-5.

The Fee Fund, as related to the Wave 2 Settlements, represents the following “base and incentive payments the [Pennsylvania] governmental entities have or will receive over the course of all payment years: 2.18% for Teva, 2.97% for Allergan, 0.7% for Walgreens, 1.26% for CVS, and 1.38% for Walmart.” *See* Nov. 13, 2024, Order at §I.A., p. 3.

Attorney’s fees and expenses awarded by the Special Master are payable from the Fee Fund, with 50 percent of the Fee Fund to be used to pay Common Benefit Fees and the remaining 50 percent to reimburse contingency fees. *See* Aug. 2, 2022, Order at § II.A, p. 11. The Wave 2 Settlement Attorney Fees and Costs shall follow the methodology for disbursement outlined in the Court’s Aug. 2, 2022 Order. *See* Nov. 13, 2024, Order at §I.A., p. 3.

It is presently estimated that a total of \$7,860,153.14 will be available to pay contingent fees, common benefit fees, and associated administrative expenses³. After deducting administrative expenses, 50 percent of the available sum will be available to pay common benefit fees. *See* Aug. 2, 2022, Order at § II.A, p. 11. Although the payment terms of the settling parties extend over fifteen (15) years, the Fee Fund is entirely funded over five (5) years. *See* Nov. 13, 2024, Order at §I.A., p. 3.

C. Relevant Orders

The Orders most germane to this Report and Recommendation:

³ In April 2026, Judge Pagano approved the Special Master’s recommendation for reimbursement of \$1,534,612.16 for approved contract attorney costs and other eligible costs and expenses law firms incurred in connection with their representation of Pennsylvania clients in the Coordinated Proceedings. *See* Apr. 22, 2026 Order Approving and Adopting the Special Master’s Report and Recommendation of Final Awards for Reimbursement of Contract Attorney and Other Eligible Costs and Expenses for Wave 2 Settlements. This amount was deducted from the total amount of funds expected to be received by the PA Opioid Fee Fund in connection with Wave 2 settlements prior to the 50/50 % split between Common Benefit and Contingency Fees.

- August 2, 2022, *Order Granting Plaintiffs’ Motion to Establish a Pennsylvania Opioid Fee Fund and Appoint a Special Master to Determine and Disburse Attorneys’ Fees and Establish a Procedure for Reimbursing Counsel for Documented Expenses and Costs.*
- November 13, 2024, *Order Granting Plaintiff’s Motion to Add Funds to the Pennsylvania Opioid Fee Fund.*
- September 16, 2025, *Order Establishing Application Protocols for the Reimbursement of Costs and Expenses and the Allocation and Payment of Agreed Litigation Conduct (“Common Benefit”) and Contingency Fees Under the First Amended and Restated Pennsylvania Opioids Trust and Allocation Order for Wave 2 Settlements.*

1. Order of August 2, 2022

The August 2, 2022, Order was an adjunct to the Trust. The Order established an attorney fee fund consistent with the terms of the Trust and according to 42 P.S. § 2503(8), which constituted a single qualified settlement fund as defined by § 4468B of the Internal Revenue Code of 1986, as amended, and Treasury Regulation Sections 1.468B-1, *et seq.* Aug. 2, 2022, Order at § I.B., pp. 6-7. The Order further specified that counsel (collectively, the “Fee Applicants,” each a “Fee Applicant”) were only eligible to apply for Common Benefit Fees concerning work incurred in connection with the representation of Pennsylvania clients who filed cases in the Unified Judicial System of Pennsylvania and whose clients executed Participation Agreements to participate in the Settlements. *Id.* at § III, pp. 13-14.

2. Order of November 13, 2024

The November 3, 2024, Order was an adjunct to the First Amended and Restated Trust and Allocation Order entered in 244 M.D. 2022 and 243 M.D. 2022 (the “Trust”). See Nov. 13, 2024 Order at p. 2. The Order added funds to the Pennsylvania Opioid Fee Fund in connection with the Wave 2 Settlement Agreements. *Id.* at § I., p. 2. In addition, the Order set forth that the Wave 2 Settlement Attorney Fees and Costs shall follow the methodology for disbursement

outlined in the Court's Aug. 2, 2022, Order. *Id.* at § I.B., pp. 4-5. The Sections relating to collateral attacks, the Special Master, the Fee Administrator, Awards for Agreed Litigation Conduct Fees, Fee Awards Based on Contingent Fee Contracts, and Reimbursement of Costs and Expenses in the August 2, 2022 Order are all applicable to the Wave 2 Settlement Attorney Fees and Costs. *Id.*

3. Order of September 16, 2025

The September 16, 2025, Order established the Special Master's application protocols for reimbursement of eligible fees and expenses from the Fee Fund under the Amended Trust, as they apply to the Wave 2 Settlements. *See* Sept. 16, 2025, Order at pp. 1-2. The Order reaffirmed that only Fee Applicants who represented Pennsylvania clients who filed cases in the Unified Judicial System of Pennsylvania and whose clients executed Participation Agreements to participate in the Wave 2 Settlements were eligible for reimbursement of fees and expenses. *Id.* at § I., p. 2.

Common benefit work performed through April 5, 2024, and common benefit work performed in connection with the implementation of the Wave 2 Settlements were eligible for consideration by the Special Master in allocating common benefit fees. *See* Sept. 16, 2025, Order at §IV.A, p. 8. To recover fees from the Fee Fund, the Fee Applicants were required to waive enforcement of their fee contracts for the Pennsylvania Participating Subdivisions for whom they sought an award of fees. *Id.* at §I, p. 3. The Special Master has ensured that all Fee Applicants meet the eligibility requirements for a common benefit fee award.

D. Special Master and Auditor

As noted in the Aug. 2, 2022, Order, the undersigned was appointed Special Master to oversee and allocate the Fee Fund's fees, costs, and expenses in accordance with the Order's

criteria. *See* Aug. 2, 2022, Order at § II.A, pp. 8-9. The Special Master was authorized to employ assistants, professionals, and vendors to act at his discretion to accomplish the objectives and work outlined in the Order. *Id.* The Special Master has the “sole authority for making decisions regarding allocations, disbursements, and payments from the Pennsylvania Opioid Fee Fund.” *Id.*

The Special Master retained Amy L. Collins, P.C., to serve as the Pennsylvania Opioid Common Benefit Fee Fund Auditor (the “Auditor”). *See* Sept. 16, 2025, Order at §II, pp. 3-4. Ms. Collins has extensive experience and expertise in auditing common benefit time submissions and was retained to advise on processes to establish audits and audit the time entries for both the settlements related to the Wave 1 and Wave 2 Defendants. *See* Wave 1 Special Master’s Report at §II.D, pp. 5-7. Ms. Collins performs the same role in the Opioid MDL, and her vast experience and expertise have been invaluable assets to the Special Master.

The Special Master directed Ms. Collins to independently evaluate each time entry to verify eligibility for compensation from the Fee Fund and to make Fee Applicant-specific recommendations. Ms. Collins analyzed the applicable Orders, attended Fee Applicant interviews, and corresponded with Fee Applicants as necessary to ensure that comprehensive and relevant information was provided in support of her underlying recommendations. At all relevant times, the Special Master and Ms. Collins closely coordinated their efforts, although the Auditor’s review and determinations are not binding. *See* Sept. 16, 2025, Order §V at p. 10.

In May 2026, Ms. Collins submitted her confidential final *Pennsylvania Opioid Fee Fund Auditor’s Report & Recommendations for Wave 2 Agreed Litigation Conduct (Common Benefit) Fees* (the “Auditor’s Wave 2 Report & Recommendations”). The Special Master’s review of the Auditor’s findings regarding Wave 2 Common Benefit fees was *de novo*. *Id.* at p. 10. Consistent

with the Sept. 16, 2025, Order, the Special Master independently evaluated each Fee Applicant's contributions, along with the Auditor's Wave 2 Report & Recommendations. *Id.* at §VI, pp. 10-13. After an independent analysis and review, the Special Master arranged to issue to each Applicant a Wave 2 Preliminary Common Benefit Fee Notice of Award, which was effectuated by Amy L. Collins, P.C. in July 2026, giving all Fee Applicants an opportunity to comment and object. Applicants had ten (10) days to accept or object to their Preliminary Award Notice. *Id.* at p. 15. No objections were received to these Preliminary Awards. Therefore, the Special Master certifies that there are no objections to the proposed Awards set forth herein. The Special Master also certifies that all necessary prerequisites set forth in the Trust, Fee Fund and Fee Fund Protocol Orders have been met.

This Report and Recommendation is issued pursuant to the Orders discussed *supra*. All Final Objections must be filed with the Court and served on Judge Pagano within ten (10) days of service. *See* Sept. 16, 2025, Order at § VI.D., p. 16. In the unlikely event objections are served to this Report and Recommendation, all Final Objections are reviewed by Judge Pagano under an abuse of discretion standard. *Id.*; *see also* Aug. 2, 2022, Order at § II.A, p. 9 ("Subject to review by this Court under an abuse of discretion standard, the Special Master shall have the sole authority for making decisions regarding allocations, disbursements, and payments from the Pennsylvania Opioid Fee Fund.").

III. DISCUSSION

Before determining the appropriate Common Benefit Fee award for each Fee Applicant, it was necessary to determine the total available funds for all Fee Applicants. *See* § II.B, *supra*. Based on the best current estimates, \$3,537,068.91 will be available from the Fee Fund to compensate Fee Applicants for their Wave 2 common-benefit work. This total represents 50

percent of the Fee Fund for payment of Common Benefit Fees. *See* Aug. 2, 2022, Order at §II.A, p. 11.

As noted, the Auditor conducted an independent review and analysis of all applications for Common Benefit Fees to assess compliance with the relevant Order and prepared a confidential report to the Special Master regarding her findings on what should be allowed, disallowed, or further investigated, drawing on her expertise in auditing common benefit time submissions. The Auditor's final Wave 2 Report & Recommendations was issued after allowing Fee Applicants to object to or comment on the preliminary findings. The Auditor's process is discussed in full below.

A. The Auditor's Review Process

Fee Applicants who submitted requests for Common Benefit Fees underwent a three-step process to facilitate the time review, ensure accuracy and fairness in the levels of work performed, and comply with the Orders and guidelines issued by the Court for all work performed in the Coordinated Proceedings.

1. Step 1: The Application Process

Fee Applicants seeking compensation for Common Benefit Fees were required to apply through the Rubris Crosslink System ("Crosslink"). *See* Sept. 16, 2024, Order at §IV, p. 6. The application process required each Fee Applicant to certify (1) they carefully read the applicable orders, (2) they submitted only time for work for the common benefit of all Pennsylvania clients who filed cases in the Unified Judicial System of Pennsylvania and executed Participation Agreements to participate in the Settlements, (3) their work was not compensated from any other source, (4) they agreed to waive enforcement of their fee contracts for the Pennsylvania Participating Subdivisions for whom they requested Common Benefit Fees, (5) Co-Lead Counsel

authorized the work, and (6) they acknowledged that the final Common Benefit Fee allocation is subject to the Nov. 13, 2024, Order (incorporating the Aug. 2, 2022 Order at § I.A), and is binding. Each Fee Applicant was required⁴ to submit the following documentation to support their application:

- Common Benefit Fees Application.
- Common Benefit Time Report.
- Common Benefit Fee Affidavit.
- Fee Applicant Statement (optional) describing the extent to which the Fee Applicant contributed to the common benefit of all Wave 2 Settlement Participating Subdivisions
- Fee Split Designation
- List of references and recommendations (optional)

See Sept. 16, 2025, Order at §IV, p. 7.⁵

Before submission, Fee Applicants were provided with the *Pennsylvania Opioid Fee Fund Guide to Wave 2 Common Benefit Time and Expense Billing Under the Pennsylvania Opioid Fee Fund* (the “Wave 2 Billing Guide”) to guide the preparation of their submissions. Pursuant to the Wave 2 Billing Guide, Fee Applicants were required to provide detailed information in support of each submitted time entry, including the name and level of the Firm Member performing the task, the date of service, the category code for the task, a detailed description of the work performed, the Co-Lead Counsel assigning or approving the work, the Firm Member’s billing rate, the time spent in tenth-of-an-hour increments, the fee total sought for the work performed (*i.e.*, time spent $\times$ billing rate), and the name of the Pennsylvania Participating Clients (*i.e.*, “PA General”).

⁴ Unless otherwise indicated as “optional.” See Sept. 16, 2025, Order at §IV, p. 7.

⁵ Fee Applicants were additionally asked to provide client Information, *i.e.*, the Pennsylvania Litigating Subdivisions represented by the Fee Applicant and an IRS Form W-9 to facilitate the Auditor’s processes.

After indicating to the Special Master that they intended to participate in the Wave 2 application process, several Fee Applicants failed to apply. In total, twelve (12) law firms proceeded through the Wave 2 common benefit application, review, and audit process, submitting a total of 46,194.5 hours at a combined submitted lodestar of \$23,228,969.50.

2. Step 2: The Review Process

Upon receipt of each application, the Auditor reviewed and analyzed the submitted time and materials for compliance with the applicable Orders. Non-compliant time entries were flagged with an Audit Code, as defined and provided to the Fee Applicants in the *Pennsylvania Opioid Fee Fund Wave 2 Agreed Litigation Conduct Common Benefit Time Audit Guide* (the “Audit Guide”). Such Audit Codes are described below:

- Administrative: Non-substantive administrative or clerical time for scheduling meetings, making travel arrangements, general file organization, and general printing and copying, unless for a specific common-benefit task, *e.g.*, expert reports.
- Duplicate Entry: The same time entry was submitted more than once.
- Excessive Time: Submission of time in which the amount of “review” time is excessive, individually, or, when judged in reference to the role of the timekeeper, excessive hours billed in a day by one firm member, unreasonable time considering the task or the firm member’s duties, or time that did not substantially benefit the Pennsylvania Participating Subdivisions.
- Excessive/Unnecessary Review: Submission of time to “review” pleadings, emails, correspondence, or similar documents unrelated to the performance of a timekeeper’s responsibilities, *i.e.*, monitoring or reviewing the work of a timekeeper for internal purposes, “monitoring,” or reviewing Electronic Court filings, discovery or expert materials, or time for more than one timekeeper within a firm to review a single document, email, deposition, or pleading without an independent reason showing that review by more than one timekeeper was necessary and beneficial.
- Inadequate Detail: Any time entry that is not described in sufficient detail for the Auditor to determine the nature and purpose of the work involved, including failure to provide the name of the case for case-specific work, failure to provide the name of the defendant(s)

for defendant-specific work, failure to provide the name of the witness for work preparing for or attending a deposition, and failure to indicate the purpose of the task or its relation to a common benefit task.

- Non-Common Benefit: Submission of time that does not meet the definition of common benefit work, is not reasonably necessary, or is not part of a bona fide effort to advance the interests of the Pennsylvania Participating Subdivisions.
- Non-Common Benefit Case-Specific: Work performed on an individual case or group of cases that provides no common benefit, *i.e.*, time spent meeting with potential clients, completing Plaintiff Fact Sheets, or case-specific work on a bellwether or common benefit case that occurred before the case was so designated.
- Not Authorized: Work not authorized by Co-Lead Counsel, arising from the representation of a subdivision that is not a Pennsylvania Participating Litigating Subdivision, or from the representation of Pennsylvania Participating Subdivisions in matters other than claims against the settling entities.⁶
- Unnecessary/Unauthorized: Excessive or unnecessary time entries for “monitoring” the proceedings by attending hearings, status conferences, meetings, depositions, or trials.

3. Step 3: The Audit Process

Fee Applicants who submitted time entries identified as potentially ineligible, needing more detail, duplicative, excessive, case-specific, or non-common benefit were provided with an Audit Notice containing an Audit Spreadsheet via Crosslink. *See* Sept. 16, 2025, Order at §V, p.

9. Fee Applicants were allowed seven (7) days to provide an Audit Response,⁷ in which they could:

- Amend the time entry.
- Challenge the Audit Code.
- Partially withdraw the entry by reducing the time and amending the detailed description to remove the non-compliant portion of the time.
- Voluntarily withdraw the entry.

⁶ However, submitted time may include an appropriate share of time worked to pursue claims against multiple defendants including the settling Wave 2 defendants.

⁷ Sept. 16, 2025, Order at §V, p. 10.

Fee Applicants could provide comments regarding the disputed entries. Fee Applicants who failed to provide Applicant Comments for any entry for which “Challenge” was selected in the Applicant Response were deemed to have waived any right to object to the Special Master’s determination regarding reimbursement approval or denial for the entry. *Id.* at p. 10. Fee Applicants were also allowed to provide additional documentation in support of their position that the time entry was compliant, which included:

- Documents evidencing authorization from Co-Lead Counsel to perform the work in question.
- Relevant portions of transcripts that supported attendance at a hearing, meeting, deposition, or other event.
- Relevant portions of pleadings, motions, briefs, memos, or other documents that demonstrated the time and complexity involved in the task in question.
- Other documents supporting the Fee Applicant’s position that the time entry was compliant.

Id.

Following the Audit Process, the Auditor informed the Special Master of her preliminary determinations regarding which time entries she believed to be deficient or disallowable, and the reasons for those determinations, in her Auditor’s Wave 2 Report & Recommendations.

4. Step 4: The Interview Process

In furtherance of their review, the Special Master and Auditor conducted interviews with Fee Applicants in May 2026 to gather input on the quantity and quality of the work claimed in the Fee Applications, including the common benefit time submissions of the Fee Applicant and others in the Coordinated Proceedings. The interviews were held after the Audit Process but before the Preliminary Awards to address questions about the reasons, grounds, and explanations for a Fee Applicant’s entitlement to Common Benefit Fees.

Following the Interview Process, the Auditor was instructed to conduct an additional review of the deficient entries and the Fee Applicants' responses and to make recommendations on the allowance or disallowance of all submissions, using the methodology and criteria outlined herein. The Auditor submitted her final Auditor's Wave 2 Report & Recommendations in May 2026, which the Special Master reviewed to prepare for the Preliminary Fee Awards. As discussed *supra*, the Auditor's non-compliance determinations were not binding, nor did the Auditor have the authority to disallow, in whole or in part, any time submission of any Fee Applicant.

B. Allocation Methodology and Criteria

The Fee Applicants submitted more than 46,000 hours of claimed common benefit work for consideration. All Firm Applicants' time entries were provided to the Auditor and Special Master for review and sampling. The Auditor's Report and Recommendations adjusted the total claimed fees by a lodestar calculation.

The overarching guideline the Special Master used to allocate fees was each Fee Applicant's relative contribution to the common benefit of the outcome of the litigation. *Sept. 16, 2025, Order* at § VI.A, p.13 ("The over-arching guideline that the Special Master is to consider is the relative common benefit contribution of each Fee Applicant to the outcome of the Coordinated Proceedings[.]"). This aligns with the general principle that fees should be allocated to reflect the relative contributions of attorneys and firms to the overall outcome of the litigation. *In re Diet Drugs (Phentermine, Fenfluramine, Dexfenfluramine) Prods. Liab. Litig.*, No. CIV. A. 99-20593, MDL 1203, 2003 WL 21641958, at *6 (E.D. Pa. May 15, 2003) ("As a general principle . . . [Common Benefit Funds] are to be allocated in a manner that reflects the relative contribution of the individual firms and attorneys to the overall outcome of the litigation.").

Common benefit work product includes all work performed for the benefit of all plaintiffs, including pretrial matters, discovery, settlement efforts, and other work that advanced this litigation to a successful conclusion and settlement. Although common benefit work is well-defined, the Special Master's task of allocating common benefit fees is not an exact science. *In Re C.R. Bard, Inc. v. Pelvic Repair System Products Liability Litigation*, 2019 WL 4458579, at *15 (W.D. Va. March 12, 2019) ("The allocation of fees is not an exact science, and the methodology used may vary, so long as it is designed to produce results that are both fair and reasonable."). The Special Master's allocation necessarily involved subjective factors such as the nature and importance of the work performed, the skill and experience of the counsel performing it, and the acclaimed results. With substantial assistance from the Auditor and input from the Fee Applicants, the Special Master is confident that the recommended allocation and awards are fair and equitable and fully consistent with the relevant factors set forth in the Court's Orders. This is evidenced by the absence of objections to the recommended awards.

The Special Master's review of all submitted time was conducted *de novo*. In addition to reviewing the Auditor's recommendations, the Special Master conducted an independent analysis of the factors outlined in *In re Baby Prod. Antitrust Litig.*, 708 F.3d 163, 176-77 (3d Cir. 2013), and *Maldonado v. Houstoun*, 256 F.3d 181, 187-88 (3d Cir. 2001). *See Sept. 16, 2025, Order*, § VI.A, p. 11.

To determine the appropriateness of the Final Fee Awards, the Special Master considered these factors, along with reasonable and necessary billing practices and general fee jurisprudence, and the factors generally recognized in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974), including (1) the time and labor required, (2) the novelty and difficulty of the questions, (3) the skill requisite to perform the legal services properly, (4)

the preclusion of other employment by the attorney due to acceptance of the case, (5) the customary fee, (6) whether the fee is fixed or contingent, (7) time limitations imposed by the client or the circumstances, (8) the amount involved and the results obtained, (9) the experience, reputation, and ability of the attorneys, (10) the “undesirability” of the case, (11) the nature and length of the professional relationship with the client, and (12) awards in similar cases. Each relevant factor considered by the Special Master is discussed in detail below.

1. Time and labor required. Fee Applicants submitted 46,247.5 hours for consideration, of which 35,947.2 hours were determined to be for the common benefit.
2. The novelty and difficulty of the questions. Cases of first impression generally require more time and effort on the attorneys’ part. While other coordinated opioid cases were being prosecuted nationwide and in a handful of state court jurisdictions, several issues were distinct to the Commonwealth, the bellwethers, and the application of the law, making the Coordinated Proceedings unique.
3. The skill requisite to perform legal services properly. The Coordinated Proceedings involved numerous complex legal issues, including keeping the cases in state court, surviving preliminary objections to novel causes of action, and collecting, reviewing, and producing volumes of documents to survive discovery and ultimately proceed to settlement. Wave 2 included a substantial number of depositions, unique legal challenges, and work specific to the Wave 2 defendants.
4. The preclusion of other employment by the attorney due to acceptance of the case. Some Fee Applicants were from small firms. Even a few hundred hours of common-benefit work per year significantly affected their ability to take on additional cases.
5. The customary fee. Fee Applicants who perform common-benefit work do so at significant risk when the fee, as in this litigation, is contingent. Notably, the funds available to compensate the Fee Applicants were contingent on the success of the litigation, as measured by settlement amounts. If the litigation was unsuccessful, the Fee Applicants could have been left without compensation or undercompensated for the many hours spent performing common-benefit work in furtherance of all Pennsylvania Participating Subdivisions.
6. Whether the fee is fixed or contingent. Fee Applicants who perform common-benefit work do so at significant risk when the fee, as in this litigation, is contingent.

Notably, the funds available to compensate the Fee Applicants were contingent upon the success of the litigation, measured by the settlement amounts. If the litigation was unsuccessful, the Fee Applicants could have been left without compensation or undercompensated for the many hours spent performing common-benefit work in furtherance of all Pennsylvania Participating Subdivisions.

7. Time limitations imposed by the client or the circumstances. Priority work, such as responding to dispositive motions, can delay a Fee Applicant's work on other matters.
8. The amount involved and the results obtained. Some Fee Applicants worked directly with the Pennsylvania Attorney General's Office and the County Commissioners Association of Pennsylvania to ensure that the Pennsylvania Participating Subdivisions received the maximum possible recovery from the settlements. This work culminated in a substantial settlement exceeding \$1 billion for the Commonwealth of Pennsylvania.
9. The experience, reputation, and ability of the attorneys. Fee Applicants in this litigation included many experienced trial attorneys with a history of multimillion-dollar verdicts and settlements.
10. The "undesirability" of the case. The opioid litigation was a novel and complex undertaking with no guarantee of success. Even after the Wave 1 Settlements, the Coordinated Proceedings posed a risk to firms that chose to pursue these claims on behalf of their clients and for the benefit of all Pennsylvania Participating Subdivisions.
11. Awards in similar cases. In this case, the average hourly rate of common benefit fees awarded is consistent with rates in other MDLs. Further, based on the Special Master's experience with other MDLs, the total amount and percentage of common benefit fees awarded are reasonable compared with those awarded in MDLs and consolidated proceedings.

After verifying the appropriateness of the total fee award for all Fee Applicants, attention turned to the individual Fee Applicant awards. Notably, although twelve (12) firms submitted over 22,000 individual entries, each entry was reviewed by the Auditor and audited in substantial detail. In addition to reviewing each time entry for compliance with the applicable Orders and generally accepted billing principles, each entry was categorized by the task performed, the

related witness (where applicable), and the case for which the task was completed, *i.e.*, case-specific, bellwether, or generally for the Pennsylvania Participating Subdivisions. These category-based comparisons provided insight into the type, quantity, and value of the work performed by the Fee Applicants and how that work contributed to the successful advancement of the Coordinated Proceedings.

The review methodology also took into account all logged hours by timekeeper, years of practice, type of work performed, the work's significance to the Coordinated Proceedings, authorization of the work, staffing as it pertained to the project, bellwether work, attendance at hearings and status conferences, briefs and submissions, arguments, and presentations to the Court, as well as other relevant information pertaining to advancing the litigation. This methodology enabled the evaluation and sound judgment of each firm's work.

The firms' work was compared with one another. The amount of "heavy lifting" or critical work performed by certain Fee Applicants was reflected in upward lodestar adjustments. Conversely, although important and a valuable contribution to a successful settlement, where a Fee Applicant's time consisted primarily of document review or passive participation in meetings or hearings, the lodestar was neither reduced nor enhanced. The allowed hours for each Fee Applicant were then determined, and the submitted and allowed lodestars for each Fee Applicant were calculated. Adjustments were made based on the factors discussed *infra* and the specific factors discussed below to arrive at the recommended fee allocations for each Fee Applicant. Additional factors considered included those listed in the September 16, 2025, Order.

- The Sept. 16, 2025, Order. The factors listed are: (1) a Fee Applicant's contemporaneously recorded time and labor dedicated to the Pennsylvania Participating Subdivisions; (2) the novelty, time, and complexity of the work performed for Pennsylvania Participating Subdivisions; (3) the preclusion of other employment by the Fee Applicant due to time dedicated to Pennsylvania Participating Subdivisions; (4) the "common benefit" alleged to have been conferred by the Fee Applicant with respect to

the Coordinated Proceedings; (5) expenditures paid by the Fee Applicant necessary to prosecute the Fee Applicant's case(s); (6) the experience, reputation, and ability of the Fee Applicant; (7) the status of discovery in the cases involving the Wave 2 Defendants primarily handled by the Fee Applicant in the Coordinated Proceedings; (8) the nature of any work by the Fee Applicant on "bellwether" cases or similarly-active cases in the Coordinated Proceedings; (9) pressure points successfully exerted by the Fee Applicant in cases against the Wave 2 Defendants or any risk for Wave 2 Defendants created by the Fee Applicant in the Coordinated Proceedings; (10) successful and unsuccessful motion practice in cases against the Wave 2 Defendants worked on by the Fee Applicant in the Coordinated Proceedings; (11) the filing date of any cases filed by the Fee Applicant in the Coordinated Proceedings; (12) the number and population of entities represented by the Fee Applicant in the Coordinated Proceedings and the fees that would have been awarded under the extinguished contingent agreements concerning the Fee Applicants' Pennsylvania Participating Subdivisions; (13) whether the Fee Applicant's Pennsylvania Participating Subdivision brought claims against the Wave 2 Defendants; (14) whether the Fee Applicant held a leadership role in the Coordinated Proceedings; (15) whether the Fee Applicant held a leadership role in any negotiations aimed at resolving the litigation in the Coordinated Proceedings; (16) other factors deemed by the Special Master to be appropriate to consider.⁸

- Billing Efficiency. Fee Applicants who submitted fewer hours than those who performed similar tasks were not penalized for their efficiency. Conversely, Fee Applicants who

⁸ Such factors may include: (a) the quality of the Fee Applicant's work; (b) the consistency, quantum, duration, and intensity of the Fee Applicant's commitment to the litigation. *See* Sept. 16, 2025, Order at §VI, pp.12-13. The Special Master may also consider the relative common benefit contribution of each Fee Applicant, including whether a Fee Applicant (1) made no known material common benefit contributions; (2) made isolated material common benefit contributions but primarily "monitored" the material common benefit efforts of others and perhaps performed some document review; (3) made periodic material common benefit contributions and/or mostly performed document review; (4) made consistent material common benefit contributions from inception through settlement of the Fee Applicant's own cases or cases in which the Fee Applicant had a substantial fee interest; (5) made consistent material common benefit contributions from inception through the current date; (6) was a leader taking primary responsibility to accomplish the goals, was relied upon by Liaison and Co-Lead Counsel, and provided consistent material common benefit contributions (full-time at times), from inception through settlement of the Fee Applicant's own cases or cases in which it had a substantial fee interest; (7) was a leader taking primary responsibility to accomplish the goals and was relied upon by Liaison and Co-Lead Counsel, and provided consistent material common benefit contributions (full-time at times) from inception through the current date; (8) was a senior leader taking primary responsibility to accomplish the goals of Liaison and Co-Lead Counsel, organized others and/or led a team of common benefit attorneys and was heavily relied upon by Liaison and Co-Lead Counsel and provided consistent material common benefit contributions (almost full-time) for a substantial time; or (9) was a senior leader providing maximum senior leadership effort in terms of intensity, consistency, and duration relative to all other common benefit counsel, taking primary responsibility for the entire litigation to accomplish the goals of Liaison and Co-Lead Counsel, engaging in overall strategic planning since inception, organizing others and/or leading one or more teams of common benefit attorneys, providing consistent material common benefit contributions (virtually full-time for much of the litigation), and will continue to the conclusion of the litigation. *Id.* at 13.

submitted more hours than those who performed similar tasks were not given a windfall for their excessive time.

- Substantive Time. Fee Applicants who made exceptional contributions to the settlement were given an enhancement. For the most part, these individuals and firms were singled out by interviewees for exceptional work.
- Importance of Work Performed. Although tasks of varying degrees of importance are necessary to litigate such matters, work that substantially advanced the litigation or settlement on behalf of all claimants received a more significant enhancement than work merely necessary to prosecute the case or implement the settlement effectively.

C. Wave 2 Preliminary Common Benefit Awards

On July 6, 2026, the Special Master arranged to issue Wave 2 Preliminary Common Benefit Fee Awards (the “Preliminary Fee Awards”) to each Fee Applicant who timely submitted a Common Benefit Fee Application, which was effectuated by Amy L. Collins, P.C. The Preliminary Fee Awards notices included the Special Master’s preliminary determinations of qualified time and allowed lodestar, a discussion of enhancements (where applicable), and the Preliminary Fee Award amount for each Fee Applicant.

After considering the totality of the evidence, the Special Master determined that enhancements to certain firms were appropriate for efforts that substantially contributed to the successful settlement of the Coordinated Proceedings. When assessing the relative contributions of firms and lawyers to the successful settlement, four (4) firms stood out: Baron & Budd, P.C.; Dilworth Paxson, LLP; Feldman, Shepherd, Wohlgelemler, Tanner, Weinstock, Dodig, LLP; and Saltz, Mongeluzzi, & Bendesky, P.C. These firms were given an appropriate enhancement given their exceptional contributions to the settlement.

After adding up the Preliminary Fee Awards initially computed for the twelve (12) firms that applied for a common benefit award, the total exceeded the amount available to pay Common Benefit fees. Therefore, it was necessary to reduce the Final Awards to ensure that

sufficient funds remain in the Fee Fund to pay them. The Special Master determined that the fairest method to reduce the total Preliminary Awards was to apply the same percentage reduction to each Applicant. In other words, all Fee Applicants were treated the same with respect to the percentage reduction of the Preliminary Fee Awards.

D. Objections

Fee Applicants were allowed ten (10) days to object to their Preliminary Fee Award and had standing only to object to their own fee award, not to any other Fee Applicant's award. *See* Sept. 16, 2025, Order at § VI.D, pp. 15-16; *see also* Fee Fund Order, § I.A, p. 4 (“Counsel shall only have standing to object to its own fee or cost Award and shall not have standing to object to a fee or cost Award of any other counsel.”).

The Special Master received no objections to the Wave 2 Preliminary Fee Awards. Because the failure to object timely is deemed a waiver of all objections to the Preliminary and Final Awards, and the Court-ordered time to object has passed, the filing of this Report and Recommendation is timely. *See* Sept. 16, 2025, Order at § VI.D, p. 16.

E. Final Awards

The Special Master's *de novo* review of the submitted time and the evaluation of each Fee Applicant's relevant contributions toward generating the benefits provided and/or otherwise substantially advancing the litigation in the Coordinated Proceedings resulted in the following recommended Wave 2 Final Common Benefit Fee Awards, listed in Attachment A.

IV. CONCLUSION

Based on the Special Master's extensive review of the submitted time, discussions with the Fee Applicants and the Auditor, and the factors set forth *infra*, the Special Master respectfully recommends that the Court approve the Special Master's recommended Wave 2

Final Common Benefit Awards, as set forth in Attachment A. The Special Master will file a separate application shortly to seek approval of these recommended Final Awards, along with a proposed form of Order.

Respectfully submitted,

By: /s/ Joel Schneider
Hon. Joel Schneider (Ret.)
Special Master
Pennsylvania Opioid Fee Fund

Dated: July 31, 2026

ATTACHMENT A

**RECOMMENDED ALLOCATION OF WAVE 2
AGREED LITIGATION CONDUCT (a/k/a COMMON BENEFIT) FEES**

	FIRM	FINAL AWARD	ANNUAL PAYMENT (Over 5 years)
1.	Baron & Budd, P.C.	\$2,258,926.99	\$451,785.40
2.	Boni Law Firm LLC (formerly Boni, Zack & Snyder, LLC)	\$73,786.41	\$14,757.28
3.	David Kairys	\$11,843.52	\$2,368.70
4.	Dilworth Paxon, LLP	\$169,264.16	\$33,852.83
5.	Feldman, Shepherd Wohlgelernter Tanner Weinstock Dodig, LLP	\$93,597.52	\$18,719.50
6.	Marc J. Bern & Partners LLP	\$108,820.43	\$21,764.09
7.	Motley Rice LLC	\$189,182.42	\$37,836.48
8.	Pogust Goodhead, LLC	\$13,569.25	\$2,713.85
9.	Saltz Mongeluzzi & Bendesky, P.C.	\$209,994.12	\$41,998.82
10.	Scott & Scott Attorneys at Law, LLP	\$6,314.92	\$1,262.98
11.	Sheller, P.C.	\$2,296.34	\$459.27
12.	Simmons Hanly Conroy, LLC	\$399,472.82	\$79,894.56
	TOTAL	\$3,537,068.91	\$707,413.78