

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

**INSYS THERAPEUTICS, INC., an
Arizona Corporation, et al.,¹**

Debtors.

Chapter 11

Case No. 19-11292 (KG)

(Jointly Administered)

Hearing Date: August 22, 2019 at 2:00 p.m. (ET)

Related to Docket Nos.: 5, 49, 231, 475 & 482

**CERTAIN NON-MDL MUNICIPAL PLAINTIFFS' JOINDER TO STATEMENT
AND LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS TO MOTION OF DEBTORS PURSUANT TO 11 U.S.C. §§ 105(A), 363
AND 507(A) FOR (I) AUTHORITY TO (A) PAY CERTAIN PREPETITION WAGES
AND REIMBURSABLE EMPLOYEE EXPENSES, (B) PAY AND HONOR EMPLOYEE
MEDICAL AND OTHER BENEFITS, AND (C) CONTINUE EMPLOYEE BENEFITS
PROGRAMS, AND (II) RELATED RELIEF**

Certain Non-MDL municipal plaintiffs (the "Non-MDL Municipal Plaintiffs")² respectfully join in the *Statement and Limited Objection of the Official Committee of Unsecured Creditors to Motion of Debtors Pursuant to 11 U.S.C. §§ 105(A), 363 and 507(A) for (I) Authority to (A) Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Other Benefits, and (C) Continue Employee Benefits Programs, and (II) Related Relief* [Docket No. 482] ("Limited Objection").

1. The Debtors' conduct and their deceptive, fraudulent, and illegal marketing of the fentanyl opioid drug Subsys have significantly harmed the Non-MDL Municipal Plaintiffs, who therefore have claims against the Debtors in these cases.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Insys Therapeutics (7886); IC Operations, LLC (9659); Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155). The Debtors' mailing address is 1333 South Spectrum Blvd #100, Chandler, Arizona 85286.

²The Non-MDL Municipal Plaintiffs seeking relief herein are: Surprise, AZ; Prescott, AZ; Carroll County, MD; Henry County, MO.

2. The Debtors' employees who were responsible for and/or directly involved in Debtors' admitted wrongdoing, which included criminal conduct, should not be rewarded with retention bonuses, severance, or both, as proposed by Debtors' Wages Motion. In particular, the Debtors' refusal to provide an acknowledgement from their Board of Directors (or other member of senior management) that the employees to whom the Debtors propose to provide severance payments were not engaged in criminal behavior is unreasonable. The Debtors refuse to provide such a declaration despite their representations that they have "cleaned house" and take seriously the allegations of past wrongdoing by former employees. The Committee's request that the Board of Directors do what is reasonable, particularly in light of its state law and bankruptcy fiduciary duties, and provide such a declaration, is appropriate.

3. The Non-MDL Municipal Plaintiffs hereby join in the arguments raised in the Committee's Limited Objection, and adopt, raise, and incorporate such arguments as if fully set forth herein.

WHEREFORE, the Non-MDL Municipal Plaintiffs respectfully request that the Court: (i) sustain the Limited Objection; and (ii) grant such other relief as the Court deems just and proper.

Dated: August 20, 2019

Respectfully submitted,

By: /s/ Michael Busenkell
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CERTIFICATE OF SERVICE

I, Michael Busenkell, hereby certify that on August 20, 2019, I caused a true and correct copy of the *Certain Non-MDL- Municipal Plaintiffs' Joinder to Statement and Limited Objection of the Official Committee of Unsecured Creditors to Motion of Debtors Pursuant to 11 U.S.C. §§ 105(A), 363 and 507(A) for (I) Authority to (A) Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Other Benefits, and (C) Continue Employee Benefits Programs, and (II) Related Relief* to be served via CM/ECF upon those parties registered to receive such electronic notifications and via Hand Delivery upon the parties listed below.

Dated: August 20, 2019
Wilmington, Delaware

/s/ Michael Busenkell
Michael Busenkell (DE 3933)

Via Hand Delivery

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