1 1 IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA ATLANTA DIVISION 2 3 4 In Re: 5 ConAgra Peanut Butter Products ) Docket No. 1:07-MD-1845-TWT Liability Litigation ) July 9, 2010 6 ) 11:32 a.m. 7 ) Atlanta, Georgia 8 9 TRANSCRIPT OF THE STATUS CONFERENCE PROCEEDINGS 10 BEFORE THE HONORABLE THOMAS W. THRASH, JR., U.S. DISTRICT COURT JUDGE 11 12 APPEARANCES OF COUNSEL: 13 On behalf of the Plaintiffs: Robert Smalley Elizabeth Cabraser (By phone) 14 Mark Bahn (By phone) Mike Freden (By phone) 15 Vincent Carter (By phone) 16 Mike Johnson (By phone) 17 On behalf of the Defendants: James Neale 18 19 20 Proceedings recorded by mechanical stenography and computer-aided transcript produced by 2.1 SUSAN C. BAKER, RMR, CRR 22 2194 U.S. COURTHOUSE 75 SPRING STREET, S.W. 2.3 ATLANTA, GA 30303 (404) 215-1558 24 25

(Proceedings held July 9, 2010, Atlanta, Georgia, 11:32 a.m., in chambers.)

THE COURT: All right. This is the case of In Re:
ConAgra Peanut Butter Products Liability Litigation, Case
Number 07-MD-1845. This is a status conference being held at
my request in this matter.

First let me ask counsel who are here in my chambers to identify yourselves for the record and the parties you represent.

MR. SMALLEY: Good morning, Your Honor. Robert Smalley here for the Plaintiffs.

THE COURT: Good morning, Mr. Smalley.

MR. NEALE: And Jim Neale for ConAgra, Your Honor.

THE COURT: Good morning, Mr. Neale.

For those who are monitoring the status conference by phone, it's not necessary that you identify yourself now unless you particularly want to. If later during the status conference you do participate, you can identify yourself by name at that time.

For those of you who are appearing by phone, let me ask that each time you speak you identify yourself again by name so that my court reporter can get an accurate record of this proceeding. Also, the way that my speakerphone works, if you are talking I'm cut off. I can't interrupt you. I can't stop you. I can't ask a question. So after you identify

3 1 yourself by name, ask for permission to speak. Then after you 2 have been talking, stop every couple of minutes and ask if you 3 may continue so that I can if I have a question ask it or interrupt or whatever. 4 5 Is there anybody else that's appearing by phone want 6 to identify yourself at this time? 7 MS. CABRASER: Good morning, Your Honor. Elizabeth Cabraser for Plaintiffs. 8 9 THE COURT: Good morning, Ms. Cabraser. MR. BAHN: This is Mark Bahn for Plaintiff Seifert. 10 11 THE COURT: All right. As I said, this is a status 12 conference being held at my request. I've received the joint 13 proposed agenda, and what I anticipate doing is simply to go 14 through that first. The first item is the MDL census and demographics. 15 16 Is that you, Mr. Neale? 17 MR. NEALE: Yes, sir. 18 THE COURT: All right. 19 MR. NEALE: When we were last before the Court on 20 April 29th, we estimated that in the MDL there were 21 approximately 1,285 Plaintiffs pending in about 180 cases.

MR. NEALE: When we were last before the Court on April 29th, we estimated that in the MDL there were approximately 1,285 Plaintiffs pending in about 180 cases. Today those numbers have dropped. We now think that there are roughly 1,070 Plaintiffs and about 165 cases. So I think by Plaintiffs, by individual Plaintiffs that probably represents about a 15 percent reduction in the last eight or nine weeks.

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And to put that in some further context, with the 1,070 Plaintiffs remaining, ConAgra has written more than 5,300 settlement checks to date and probably resolved a number of or processed a number of other cases without checks almost equal to that number. So I don't want to predict the end of the MDL by any means, but there's some light at the end of the tunnel. And the picture, if nothing else, is coming into sharper focus.

It's also apparent, Judge, that of the 1,070

Plaintiffs before you the vast majority, probably 75 percent,

are Plaintiffs in about five or six mass action cases or mass

Plaintiff cases. Some of those have been active participants

in the claims processing system, notably the Jenkins firm in

the Abraham case. Some of them have yet to participate,

notably the California cases from the Girardi & Keese firm and

the Houston, Texas, cases from the Waverly Nolley firm. We

still want their participation, and we think that would help to

greatly reduce the pending numbers; but it's yet to occur.

THE COURT: Mr. Smalley, you want to comment?

MR. SMALLEY: I would just add, Your Honor, that I
have spoken with a large number of Plaintiff attorneys,
including some of those that Mr. Neale has mentioned; and it's
certainly my understanding that the vast, vast majority of the
Plaintiff attorneys remaining in the MDL and particularly in
those two cases do intend to participate in the claims process
in the future.

THE COURT: Well, let's talk about that in a little more detail with respect to the second item which is the report on the filing of case status reports.

You want to comment on that, Mr. Neale?

MR. NEALE: Yes, sir. The order that the Court issued required those case status reports to be filed a week ago today, I think, July 2nd. And they continue to come in as of this morning. I think to date we have approximately 35 reports in hand out of those 164 cases which is a modest 20-percent-or-so compliance rate. That 20 percent, though, does cover about 830, the vast majority of the Plaintiffs, meaning that the cases with a lot of Plaintiffs submitted the reports.

Those that did, Judge, are going to benefit because the case status reports help us identify communication problems. A lot of Plaintiffs' attorneys said they submitted claim forms. We weren't aware of that. We now are and can process those. Other Plaintiffs' attorneys thought they had submitted claims, claim forms. It turns out they haven't. We have communicated that to them, and that'll help the process. But until we hear from those individuals, we can't do much on the case. Without the product information, without the medical information, the case is just sitting there without any activity which I know is not what the litigants or the Court wants.

So I want the case status reports. I think it was useful. And what I intend to do, Your Honor, is come to the Court with a certain list of those who are still noncompliant next week and ask to show cause or ask to have the Court have them show cause why they haven't submitted those forms. And I don't know what incentives or pressure to apply there, but I think the greater those incentives are the higher the compliance will be and the more cases we can more quickly resolve.

MR. SMALLEY: I don't, Your Honor. I agree that the case status reports have been helpful both to Plaintiffs and Defendants and that as the Court knows it's a short -- really a one-page-and-one-line document. So it's not a difficult procedure at all to fill out the few questions that are asked.

THE COURT: You want to comment, Mr. Smalley?

THE COURT: Anybody on the phone want to comment about the case status reports?

(No response.)

THE COURT: All right. Well, let me say that I've reviewed all of the case status reports that have been submitted; and they have been extremely helpful to me in trying to get a handle on what the status of the remaining cases are. And, as Mr. Neale said, some apparent communication problems have been identified that may lead to additional progress in resolving these cases.

So, again, as with the Plaintiff fact sheets, this is seen by me as an essential tool at this point in time in the management of these cases that would receive status reports on every open case. And so, Mr. Neale, if you'll submit an order to me through Ms. Sewell directing those who have not to show cause why the case should not be dismissed for want of prosecution for failure to file the status report, I will do that because, as I say, at this point in time I consider obtaining a case status report on every open case to be an essential tool for me to manage this large number of cases.

MR. NEALE: Yes, sir.

THE COURT: And if you and Mr. Smalley confer and if y'all can set a reasonable deadline for any remaining case status reports to be filed, I will enforce it.

MR. NEALE: Yes, Your Honor.

THE COURT: Is that okay with y'all?

MR. NEALE: It is.

of the case status reports. Most of them appear to me to be in order and displaying some movement toward resolution. There are a couple that I have some concerns about, a couple of groups that I have some concerns about. One is the pro se's. There's a Bryant case, and there's a -- well, there are a couple of Bryant cases.

Any thoughts about what we are going to be able to do

with the pro se's that have submitted case status reports and I know some who were represented but whose attorneys have now withdrawn, particularly, I think, a number of the Plaintiffs that were represented by the Jenkins firm? Any thoughts about that?

MR. NEALE: One item, Your Honor. And this is Jim Neale speaking for those on the phone.

Many of the pro se litigants were formerly

represented by counsel still in the MDL, and many of them went

through the claims process as represented Plaintiffs and were

denied. And then a decision was made by counsel, I think, to

move to withdraw. And the Court, I believe, has uniformly

granted those motions. And, frankly, it does pose a lot of

challenges. And we owe pro se litigants some degree of

deference, I suppose.

I'll make this offer for anybody on the phone considering that in the future. The Defendant would rather have those cases dismissed without prejudice and is willing to offer a brief or perhaps not so brief tolling period in which counsel could provide his or her former client the opportunity to go get new attorneys if they chose and to re-file cases in the form of their choosing. My suspicion, Judge, is that after a claim denial and after an attorney elects to withdraw the federal court may not be the proper forum for the majority of those cases. That doesn't solve -- it doesn't even address the

issue of those that are still here. But going forward if counsel are in that predicament, I'm happy to discuss that or another resolution with them.

ConAgra believes accurately or not that there's a fundamental merits-based problem with the claim. And we now have on file a number of motions for summary judgment, some of which are applicable only in individual cases but some of which apply categorically. And as the Court rules on those, I think a disproportionate number of the pro se litigants' cases will be affected one way or the other. That will take care of some. It'll either remove ConAgra's objection to those claims or perhaps grant judgment partially or fully if ConAgra's objections to those claims are upheld on motions for summary judgment.

But it's going to be a challenge, and I think it's something we ought to try to minimize going forward to the extent we can.

THE COURT: All right. You want to comment on that, Mr. Smalley?

MR. SMALLEY: I don't, Your Honor. I understand it's a frustrating problem, and I understand that one of my jobs as liaison counsel is to help in that process. And I'm perfectly happy and willing to do that to the extent that I know about the various pro se Plaintiffs. I will say that to the extent

that a number of the Plaintiffs that are now pro se are formerly represented by counsel and the reason that they are now pro se is that their claims have been submitted and denied as being defective, I don't know that there's a whole lot that I can do other than try to explain that once again and then explain the importance of responding if and when ConAgra does file a motion for summary judgment that would affect their particular case.

THE COURT: Anybody on the phone want to comment? (No response.)

THE COURT: All right. Mr. Neale, I think your suggestion is an excellent one and we've got to do something to deal with this problem rather than just ignore it. So in the future, before I allow an attorney to withdraw, in the motion the attorney must show good cause why he should be allowed to withdraw as opposed to dismissing the case without prejudice and accepting ConAgra's offer of a 60-day tolling period in which the Plaintiff whose attorney is withdrawing may re-file the action either represented by counsel or pro se.

MR. FREDEN: Excuse me, Your Honor. My name is Mike Freden, and we represent some people out of Texas. In the past, we have done exactly that deal with ConAgra; but they have been kind enough to allow a six-month tolling period which we think is nice and fair to our people. And I think Mr. Neale is right in a lot of them actually go away, and so I'm just

11 1 asking the Court since that other process has worked well could 2 the Court please not shorten this to 60 days? 3 THE COURT: What do you say, Mr. Neale? MR. NEALE: I've underbid myself, Your Honor. 4 5 Mr. Freden's correct. Six months is the period we have 6 typically allowed, and I don't imagine an objection to that 7 going forward. 8 THE COURT: All right. Then the tolling period will 9 be six months, Mr. Neale. 10 MR. NEALE: Yes, sir. 11 MR. FREDEN: Thank you, Your Honor. 12 THE COURT: All right. The other case status reports 13 which to me have appeared problematical are those where there 14 are mass Plaintiffs included in one action. In no particular 15 order, the first one I see here is the Abraham case which is a 16 Jenkins & Jenkins case. In the past -- well, let me just give 17 you all of them. I think the same comments will apply to all. 18 As I say, the first one is the Abraham case. The next one is 19 the Anderson case. 20 MR. NEALE: And that's Lamont Anderson, Your Honor. 21 THE COURT: Lamont Anderson, right. 22 MR. NEALE: Yes, sir. 23 THE COURT: The next one is the Rickie Gene Bowman

THE COURT: The next one is the Rickie Gene Bowman case. The next one is the Keith Anderson case. The next one is the Artie Southern case. And the last one -- I'm sorry, not

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the last -- the next one is the Wendy Ahrens case. And the last one is the Carlos Andrews case.

Those are all cases with many, in some cases a hundred or more Plaintiffs. And you want to comment on those particular cases, Mr. Neale?

MR. NEALE: Yes, sir, I do.

And what I would do if -- I think there's a distinction among some of them, Your Honor. And I'd single out the Rickie Gene Bowman case and the Abraham case who are represented by Mr. Freden who was just speaking and Mr. Jenkins respectively. The Court is correct those cases have a number of cases remaining. In Abraham it's around 140, and in Bowman it's north of 60.

But in both of those cases, Your Honor, the Plaintiffs' attorneys have been diligent about submitting claims. And I believe in both cases every single Plaintiff listed on the case status report has submitted a claim form and received either an offer from ConAgra or the reasons for the denial of their claim. And those attorneys are now working through those responses and accepting them, dismissing cases, continuing the negotiations as the case may be. So while those two cases have a lot of Plaintiffs resident in them, they are moving.

The other cases that the Court identified in contrast are not. Those are multi-Plaintiff cases where there has been

either very little or no claims activity to date.

THE COURT: Mr. Smalley, you want to comment?

MR. SMALLEY: I don't, Your Honor. I guess I would just note that the Abraham case and the Bowman case together constitute something approaching a quarter of the remaining inventory of the MDL. And as Mr. Neale said, we do expect that those will be dealt with in reasonably short order. They are moving.

The other, the Andrews, Anderson, Ahrens, Southern cases collectively looks like it represents another approximately one-half of the remaining Plaintiffs in the MDL in rough numbers. And certainly based on my conversations and my understanding -- and I hope those attorneys are on the phone so they can speak for themselves, but it's my understanding they do intend to participate in the process.

MR. CARTER: Your Honor, this is --

THE COURT: I'm sorry. Who?

MR. CARTER: This is Vincent Carter. I represent the Anderson -- the Lamont Anderson, Ahrens and Andrews Plaintiffs. And I know there's been some delay in our filing. We have submitted a number of claims. We are in the process of submitting more, and it is our intention to file or to submit claims for nearly all of our cases or seek dismissals of others. We are waiting to hear back from some of our Plaintiffs on our recommendation that their cases be dismissed.

But it is our intention to pursue this matter diligently.

I'll tell the Court frankly that we had begun the process of submitting claims, and all of my people got pulled onto another case where suddenly a great number of very lengthy fact sheets needed to be completed in another case. So I was down on manpower for a little while. But that has been resolved, and I intend to submit quite a few in the next month or two.

THE COURT: All right. Well, Mr. Carter, I encourage you to do that and I hope you will. As I've said earlier, particularly with these mass Plaintiff filings, the day is going to come and it's sooner rather than later when if those cases are not moving toward resolution that I'm going to order each of those Plaintiffs to re-file the case as an individual case and pay an individual case filing fee and will either deal with those myself or transfer them to the district where the Plaintiff resides. So I'm not trying to be difficult about this, but some progress needs to be made in those cases where claims forms have not been filed by this point in time.

Anybody else on the phone want to say anything?

MR. JOHNSON: Yes, Your Honor. This is Mike Johnson representing the Artie Southern cases, 318 of them. We submitted our claims forms on yesterday to Mr. Neale on April the 1st. I'm dealing with some personal matters that Mr. Neale and I discussed. He knows about those. He gave me a couple

days' extension to get the rest to him. I have complied with his extension, got the claims to him about where the matrix is proposed in this matter. Following the matrix, I am confident that all or mostly all of our cases will settle or not settle depending on the matrix but will be disposed of in a timely manner, sir.

THE COURT: Well, very good. I hope that happens. I encourage you to do that. And, again, I'll make the same comment I did earlier about ultimately needing to see some progress and resolution of these mass Plaintiff complaints.

MR. JOHNSON: Yes, sir.

THE COURT: Anybody else want to say anything about this?

(No response.)

I'm delighted at the progress that has been made in resolving claims — we are showing on our docket approximately 31 ConAgra cases that are open that are more than three years old or will be more than — yeah, that are more than three years old. And every six months we have to report to the administrative office of the court any cases, civil cases that are open that have been open and are still open that are three years or more old. That is a rough measure of whether I'm getting my work done or not.

Normally I have zero three-year cases. I don't think

16 1 I've ever had more than two or three. But as of the September 2 30th report for this year, it would as that document shows show 3 31 ConAgra cases that are open. I'm not obsessive compulsive about the three-year list. Anybody that really knows what's 4 5 going on knows that I have three MDLs, one of which is this 6 one. But I just wonder if some of these cases that are being 7 shown there actually have been settled and just no dismissal has been filed. 8 9 MR. NEALE: I recognize a number that have, Your Honor. And I'll take care of that right away, and then we'll 10 11 focus our claims effort here first and move forward from there. 12 THE COURT: Well, like I say, I'm not obsessive about 13 this. But if really these cases should be dismissed based on 14 settlements, it would make me happy --15 MR. NEALE: Yes, sir. 16 THE COURT: -- if you could clean up the ones that 17 fall in that category. 18 All right. Anything else on the first two items on 19 the agenda? 20 MR. SMALLEY: No, Your Honor. MR. NEALE: No, sir. 21 22 THE COURT: All right. Next is the confirmation of 2.3 the Daubert hearing schedule. 24 MR. SMALLEY: If I may start, Your Honor. 25 As we have talked about now for the first part of the

conference, in my view the sands are shifting on this MDL and have been for sometime, particularly since the settlement matrices have been starting to work. ConAgra filed motions to exclude Plaintiffs' national experts, and Plaintiffs filed similar Daubert motions shortly thereafter sometime toward the end of 2009. With the Court's permission, we have held those in abeyance until this time. And right now the schedule as per the Court's consent order of earlier this week is that the Plaintiffs will file responses Monday and ConAgra will file responses later this month to those motions.

We had as the Court will recall previously initially talked about having bellwether trials later on in August of this year. And given the claims activity, given that it's moving more slowly than we anticipated, we have tabled that for the moment but did reserve two days to the extent that the Court wished to have oral Daubert hearings.

I think the Plaintiffs' position on this, first of all, is that Daubert hearings or Daubert motions in the vacuum that we have right now are a little difficult for me to get my arms around. I don't know how helpful they will be. But, nevertheless, the current schedule is what it is. And unless it were to change, we will comply with it, of course.

We do have the 26th and 27th of August set aside for oral argument of counsel of those Daubert motions. However, on behalf of Plaintiffs, I'm not sure that I see any need for that

unless the Court after reviewing the papers has particular questions. It was our understanding and I think Mr. Neale and I had agreed that this would not be a full-blown Daubert hearing with live experts being questioned. So I guess my question is is there a need to have a live hearing for Daubert motions at all or at least until the Court has read the papers and finds that it has questions about them.

And I guess just to finish the point, as the Court knows, lead liaison counsel, we have settled all cases. So if it is the Court's intention to have the live experts present for a Daubert hearing that the Court does wish to conduct we would need to make those arrangements and discuss with the Court how to make the funds available to do that, to pay the experts for that hearing. So that's why we have it on the agenda.

THE COURT: Mr. Neale, you want to comment?

MR. NEALE: Your Honor, as we shift from the matrix-based claims processing system to an evaluation of the remaining cases on the merits, the Daubert issues and other related substantive motions that are pending and listed on this agenda are going to become more central to the case. We don't want to put that off any farther than it already has been. We won't insist -- certainly if it's the Court's preference to do that without experts, that's fine. There are adequate records built through depositions we believe to do it without them

present. If the Court wishes to take the matter on the pleadings, we're willing to do that too.

There's a long list of motions pending and the cases in which those motions are applicable on the agenda, and Mr. Smalley's right. The Plaintiffs that he directly represented no longer have a stake in those motions, so if they are going to be argued I would suggest that those attorneys with cases affected by those motions be here at the end of August to do that if that's the Court's preference.

THE COURT: Well, number one, I don't want to do anything that is going to interfere with or upset the settlement process. Second, Mr. Smalley, I recognize the work that you and Ms. Cabraser put into this case on behalf of all the Plaintiffs even after you settled your cases; and I don't want to expose you or your firms to any unnecessary additional expense that can be avoided. I'm perfectly happy to simply take the Daubert motions under advisement with the expectation of ruling on them based on the papers at a point in time where it appears that the only way to resolve the remaining cases is ruling on dispositive motions, and that would be my preference.

MR. NEALE: Yes, sir.

THE COURT: That's what we'll do then.

And let me say, Mr. Neale, I've ignored these motions on your list about long enough. So Plaintiffs who are subject to these motions who want a settlement resolution of their case

need to be aware of the fact that some resolution of these motions is coming sooner rather than later.

Do we need to talk about the motions any further?

MR. NEALE: The only additional point I'd make, Your
Honor -- and I suspect that the people monitoring on the phone
are not the ones that need to hear this -- ConAgra is filing
electronically and not providing any other service on these
motions. That's well within the local rules and well within
the Court's case management order. But that means that if a
Plaintiff's attorney is not registered to receive electronic
notification he or she may never know about the filings in the
case from the Court or dispositive motions from ConAgra. And,
again, I'm certain that most of the folks on the phone are not
guilty of that. But based on the compliance rate for the case
status report, I think it's still a problem elsewhere.

THE COURT: Mr. Smalley, you want to add anything to that?

MR. SMALLEY: No, Your Honor. Thank you.

THE COURT: Well, with as many cases, as many
Plaintiffs as we have in this case, service by electronic means
is the only practical way to manage this case. So failure to
register or failure to monitor the docket is not going to be
accepted as an excuse for significant defaults in complying
with the case management orders.

All right. I believe we have taken the Lawal case

21 1 off the trial calendar. 2 THE CLERK: We have. 3 THE COURT: And I have reviewed the motion for summary judgment, and we'll let that -- let it take the 4 5 direction it takes. 6 MR. NEALE: Yes, sir. 7 THE COURT: Other matters? 8 MR. SMALLEY: I don't have anything, Your Honor. 9 THE COURT: Next status conference? 10 MR. NEALE: We all had that August date on the calendars, Your Honor. Perhaps it makes sense just to keep 11 that date as one of the status conferences. And then if there 12 13 is a motion that the Court wants argument on or the litigant 14 demands argument on perhaps we could combine the next status 15 conference with that on the day we have already picked. 16 THE COURT: That's fine with me. Again, why don't y'all just -- we'll take off the Daubert argument scheduling, 17 18 and y'all just figure out which of the dates is most convenient 19 to you for the next status conference, and we'll do it then. 20 MR. NEALE: Yes, sir. 21 MR. SMALLEY: Thank you, Your Honor. 22 THE COURT: Anything else? 23 All right. Well, again, counsel, I'm pleased with 24 how things are going. I wish we had more progress, 25 particularly in some of the large Plaintiff cases that we have

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      talked about today. But I appreciate y'all's efforts to bring
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      order to what potentially could be total chaos and look forward
      to continuing to make some progress in getting these cases
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      resolved.
                All right. That concludes the status conference.
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      Thank you very much.
                (Proceedings adjourned at 12:10 p.m.)
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1	CERTIFICATE
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3	UNITED STATES DISTRICT COURT:
4	NORTHERN DISTRICT OF GEORGIA:
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6	I hereby certify that the foregoing pages, 1 through
7	22, are a true and correct copy of the proceedings in the case
8	aforesaid.
9	This the 26th day of July, 2010.
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14	Susan C. Baker, RMR, CRR Official Court Reporter
15	United States District Court
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