## UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

In re: Baycol Products ) File No. MDL 1431 Litigation (MJD/SRN) Minneapolis, Minnesota November 12, 2008 9:30 a.m.

> BEFORE THE HONORABLE MICHAEL J. DAVIS UNITED STATES DISTRICT COURT JUDGE

> > (STATUS CONFERENCE)

## APPEARANCES

For the Plaintiffs: CHARLES ZIMMERMAN, ESQ.

RICHARD LOCKRIDGE, ESQ.

RANDY HOPPER, ESQ. SHAWN RAITER, ESQ. DANIEL BECNEL, ESQ. ROBERT MAGNANINI, ESO.

ERIC JASO, ESQ.

HEATHER FOSTER, ESQ. (via telephone)

For Defendant Bayer: ADAM HOEFLICH, ESQ.

> PETER SIPKINS, ESQ. SUSAN WEBER, ESQ. JAMES MIZGALA, ESQ. GARY McCONNELL, ESQ.

LISA FLORO, ESQ.

For Defendant TRACY VAN STEENBURGH, ESQ. GlaxoSmithKline:

LORI A. SIMPSON, RMR-CRR Court Reporter:

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Proceedings recorded by mechanical stenography; transcript produced by computer.

1	PROCEEDINGS
2	IN OPEN COURT
3	THE COURT: Let's call this case, please.
4	THE CLERK: The Baycol Products Litigation case.
5	It's MDL No. 01-1431. Counsel, will you please state your
6	appearances for the record.
7	MR. ZIMMERMAN: Good morning, Your Honor. Bucky
8	Zimmerman for the Plaintiffs' Steering Committee.
9	THE COURT: Good morning.
10	MR. LOCKRIDGE: Good morning, Your Honor. Richard
11	Lockridge for the Plaintiffs' Steering Committee.
12	THE COURT: Good morning.
13	MR. HOPPER: Good morning, Your Honor. Randy
14	Hopper for the Plaintiffs' Steering Committee.
15	THE COURT: Good morning.
16	MR. BECNEL: Daniel Becnel for the Plaintiffs'
17	Steering Committee.
18	THE COURT: Good morning.
19	MR. RAITER: Shawn Raiter for the Plaintiffs'
20	Steering Committee.
21	MR. MAGNANINI: Good morning, Your Honor. My name
22	is Bob Magnanini. I'm from Boies, Schiller & Flexner. I've
23	got my colleague Eric Jaso and our client Laurie Simpson.
24	We are in the <i>qui tam</i> case that was unsealed from the
25	District of New Jersey and we were just transferred in by

1	the MDL panel.
2	THE COURT: Welcome.
3	Adam.
4	MR. HOEFLICH: Good morning, Your Honor. Adam
5	Hoeflich for the Bayer defendants.
6	MS. WEBER: Good morning, Chief Judge. This is
7	the first time we've been here since you have the new title.
8	Susan Weber for Bayer.
9	THE COURT: Good morning, Susan.
10	MR. MIZGALA: Good morning, Your Honor. James
11	Mizgala for Bayer.
12	MR. SIPKINS: Good morning, Your Honor. Peter
13	Sipkins on behalf of Bayer.
14	THE COURT: Good morning.
15	MS. VAN STEENBURGH: Good morning, Your Honor.
16	Tracy Van Steenburgh on behalf of GSK. I believe
17	Mr. Magaziner is on by phone.
18	THE CLERK: I don't know if he has joined us yet.
19	THE COURT: Fred, are you on the line?
20	THE CLERK: Do we have Fred on the line?
21	THE COURT: No, not yet.
22	MR. MCCONNELL: Good morning, Your Honor. Gary
23	McConnell for Bayer Corporation.
24	THE COURT: Good morning.
25	MS. FLORO: Good morning, Your Honor. Lisa Floro

1	for Bayer Corporation.
2	THE COURT: Good morning.
3	And who is on the line?
4	MS. FOSTER: Good morning, Your Honor. This is
5	Heather Foster from Lieff Cabraser. We represent Plaintiff
6	Thomas Turney.
7	THE COURT: Good morning. Anyone else on the
8	line?
9	All right. Mr. Zimmerman.
10	MR. ZIMMERMAN: May it please the Court. Good
11	morning, Your Honor. I feel like we're almost at a reunion
12	here. A lot of old and a lot of new. I notice that Gary
13	McConnell has started a beard.
14	Judge, you have a new bowtie, as I understand. We
15	were at your ceremony. Locally that's where the chief judge
16	hands the reigns of the chief judgeship to the next
17	successor. They have a bowtie ceremony.
18	We've had births. We've had deaths. We've had
19	divorces. We've had remarriages. We've had happy occasions
20	and we've had sad occasions. And we now have a new
21	president. So a lot has happened since last time we've been
22	here and a lot has happened in the course of this
23	litigation.
24	And it's an honor to be here toward the back of
25	this case to talk about where we've been a little bit, but

mostly talk about what's left in front of us. But it's with a sense of reunion and a sense of pride in how this litigation has been handled that I stand before you today.

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I think as we look back, both sides have done a good job of representing the interests of their clients and that justice has ultimately been done in the prosecution of these cases.

And as was said very early on, the cases that deserved to be compensated or people that were injured were compensated and the rest of the matters have been appropriately resolved, which leads me then to the summary of where we are today.

And you have before you a joint status report, which was filed this week. Susan and I and others have participated -- Susan Weber and I participated in the drafting of this. And it's an agreed agenda, so there are really no surprises on it, but I will just go over some of the facts that emerge from it and then if the Court has questions, as in the past, we can talk about it.

Your Honor, there remain 35 active plaintiffs in the case. That's Roman numeral I-B. That excludes plaintiffs who have stipulated to dismiss or whose cases have been settled and plaintiffs asserting only derivative claims. That is down from many thousands of cases that were originally filed, active, in state and federal court.

The important statistics, I think, are these.

With the 35 remaining in your docket, Defendants have settled with Plaintiffs 3,134 cases for a total compensation changing hands of 1,168,233,835. It's very hard for me to even get that number off because I don't usually talk in terms of billions. I think I said it right.

\$1,168,233,835. Of this total, 979 cases were determined to be subject to the MDL assessment for a total value of 365,232,920.

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If we take a snapshot back to a year ago, almost a year ago in December when our last status conference was before the Court, there's been a total incremental increase in the number of cases settled, if I did my math correctly, of 24 cases state and federal and in the federal -- in the MDL a total increase of 11 cases settled that were subject to an MDL assessment.

I think that kind of gives a very good picture of where we are, 3,100 cases totally resolved and about 9 -- or 11 additional cases settled with MDL assessments, 24 cases settled with the -- in state and federal court over the last year. So you can see we've really come to a trickle at the end of a long process.

Number C says there's 141 cases have been submitted to the MDL mediation process. And frankly, Your Honor, I don't know exactly what the status of those are. I

1 think maybe Adam or Elizabeth [sic] can tell us more. 2 they should now, because I'm not sure what that means because it doesn't really comport with 35 active plaintiffs 3 if there are 141 cases submitted to the MDL process; or 4 maybe that means in total that's what's been submitted and 5 maybe come out of that MDL process. But honestly, I don't 6 know the answer to that. 7 THE COURT: Before we go any further, I failed to 8 9 announce my star, my good friend, my special master, Roger 10 Haydock. I'm glad Roger was able to come and be here with 11 us. 12 SPECIAL MASTER HAYDOCK: Good morning all. 13 THE COURT: All right. Let's continue. 14 MR. HOEFLICH: Good morning, Your Honor. The 141 case number is the historical number that have been subject 15 16 to mediation before this Court. There are still a limited number of cases that are potentially subject to mediation in 17 18 this Court and we will work with the Plaintiffs on those 19 matters. 20 MR. ZIMMERMAN: Thank you. 2.1 THE COURT: Thank you. 2.2 MR. ZIMMERMAN: So that's the historic number that 23 went through the program and I appreciate that clarification. 24

With regard, then, to sort of the settlements and

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pending cases, I don't know if the Court has any other questions or anybody has any questions about it, but I think we understand that universe pretty well. I think we've been actively, both sides, managing it with Professor Haydock's help and others. I think Lew Remele was also involved in the process, a fine attorney in the Twin Cities. We were kind of -- that's where we are.

I've been told by Susan that there's three or four new cases that have come into the system most recently, very recently, and that later on we're going to hand up a proposed order for Your Honor on how we're going to get those systems — those cases that remain through the system. There's a proposed order that has been negotiated that we're going to talk about down into the discovery portion.

THE COURT: Thank you.

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MR. ZIMMERMAN: There are a very few number of cases coming. We do have the *qui tam* case that we are going to talk about later. It has a separate item on the agenda, which we'll discuss.

I see Adam has stood up, so I will yield.

MR. HOEFLICH: Thank you, Bucky. As Bucky said, Your Honor, there are a number of -- a limited number of cases that have recently been filed. Included among them are a limited number of rhabdo cases as well. So we are taking a look at those and those are now in the system.

1 The plaintiffs were --2 THE COURT: Do you know the numbers? 3 MR. HOEFLICH: No, I do not know the numbers. frankly, Your Honor, from the pleadings you can't always 4 tell whether something that's actually called a rhabdo case 5 is a rhabdo case. So we are looking at those now. 6 THE COURT: I think we've --7 MR. ZIMMERMAN: We've explored that issue. 8 9 THE COURT: Seven years of dealing with that, 10 right? 11 MR. HOEFLICH: As Yogi Berra would say, it's 12 deja vu all over again. But we will take a look at the records and see what's involved. 13 14 The plaintiffs were broken into four groups for The 15 case-specific discovery pursuant to this Court's order. 16 active plaintiffs in those groups are distributed as follows: There are no Phase I or Phase II plaintiffs 17 18 remaining, there are three Phase III plaintiffs, and 26 19 Phase IV plaintiffs. 20 There are five plaintiffs in late actions, 2.1 excluding the qui tam action. And we have for the Court an 2.2 agreed order proposing discovery timetables for the late 23 filed cases. If I can approach, I can hand up copies of it for the Court. 24 25 THE COURT: You may.

1 MR. HOEFLICH: Do you have anything to add on the 2 discovery matters? MR. ZIMMERMAN: No, I don't. Maybe you can go to 3 4 the next item on the agenda. Sure. Your Honor, the next item on 5 MR. HOEFLICH: 6 the agenda are trials. The Mary Reed case was tried in 7 Mississippi. It was a complete defense verdict in September of this year. 8 9 THE COURT: What type of case was that? Was that 10 a muscle or was it rhabdo? MR. HOEFLICH: It was a nonrhabdo case. 11 12 There are no other Baycol cases that are set for 13 trial this year. 14 MR. ZIMMERMAN: My view, Your Honor, is if you 15 call anything a rhabdo once, it's a rhabdo forever, but I 16 haven't always won that argument, but tried it many times. With regard to motions, which is item number V, 17 18 Your Honor, we have provided a list of pending motions, a 19 two-page addendum to the agenda. Most of them are fully 20 briefed motions for summary judgment and some of them are 2.1 motions for summary judgment where there are some briefing 2.2 due and then two other motions for extensions and things like that which I think all the briefing has been due. 23 24 So I think it's fair to say that with regard to 25 the pending motions, they are really awaiting for the most

part a final decision by Your Honor essentially on motions for summary judgment brought by the Defendants.

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I don't know if, Susan, if you want to expand on that at all other than what's in the chart.

MS. WEBER: Your Honor, at the top, besides the injunction motion there are just a couple of motions that would fall under the mop-up procedural category. The <u>Torres</u> case has been pending for some time. The <u>Stodghill</u> case was one of the ones that came into the MDL more recently.

For every case in which we've proceeded through discovery, there is a motion for summary judgment pending. So the only cases that do not have pending dispositive motions are the recent ones where we're still getting in fact sheets and medical records and have not yet deposed plaintiffs.

MR. ZIMMERMAN: So I think it's fair to say at the conclusion of that, Judge, there's just a very small trickle of a few new matters, a few pending matters, and that we're really at the place in this MDL where everything will seek its level and we know where things are going.

If they're rhabdos, they are going to be resolved, more likely than not. If there's motions that are before the Court for dispositive motions and if there's some Phase IV and beyond discovery, it's involving a very small and limited number of cases.

1 So I think we have our arms around this MDL. 2 Whether or not at the end of that there's going to be 3 remand, we've agreed just to keep that off the agenda for now and meet and confer on a remand schedule should there be 4 5 the need for one at the end of the day. MR. HOEFLICH: Your Honor, one point that I should 6 7 add is that the order establishing a discovery timetable is for the new personal injury cases. That order is not 8 9 intended to apply to the qui tam case, which is next on the 10 agenda. 11 Concerning the qui tam case, it was filed in the District of New Jersey in 2006 and it was unsealed this 12 year. It has since been transferred to this Court. The 13 parties have spoken with each other, I've spoken to 14 Mr. Jaso, and we are discussing a schedule. With the 15 16 Court's permission, we will continue to discuss that --THE COURT: Please. 17 18 MR. HOEFLICH: -- to analyze the case, and report 19 back to you. 20 THE COURT: Counsel, when was it opened in New 2.1 Jersey? 2.2 MR. JASO: It was -- the government elected to 23 decline intervention at this point in June, Your Honor, in 24 New Jersey. The District of New Jersey's civil division was 25 looking at it and obviously they retain the right to

intervene at a future date, but that's when it was unsealed.

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We went to the MDL panel. We contended that being a False Claims Act it was a little bit of a square peg for this round hole with personal injury cases because, as I'm sure Your Honor understands, whether or not a particular case is rhabdo, muscle, whether particular individuals were injured is neither here nor there for our case.

Our case, in a nutshell, is that the government -that Bayer misrepresented the risks to government purchasers
of the drug and government reimbursers of the drug and that
that's where the false claims originated.

So Mr. Hoeflich obviously and more ably argued to the panel that our square peg was more round than square, so here we are. But that being said, I think it's fair to say that --

THE COURT: You found a good home, so don't worry about --

MR. JASO: We are very pleased to be here, Your Honor. Obviously no reflection on this very able Court to be here.

But that being said, we do understand and having discussed it with Bayer and as well with members of the Plaintiffs' Steering Committee I think they understand and we are in agreement that this is something of a unique case in this MDL and therefore we are in those discussions and

1 will submit an order accordingly to get this case moving 2 forward. So one clarification, Your Honor, for the record. 3 There are some references in various pretrial orders, 4 including a confidentiality order, about, for example, 5 access to documents by, quote, unquote, named plaintiffs. 6 7 And technically Laurie Simpson, our client, is not a named plaintiff. She is the relator, again, sort of a 8 9 unique situation in designating parties in the False Claims 10 Act. But I've discussed it with all counsel and they are in 11 agreement that she would be treated as a named plaintiff for 12 the purposes of Your Honor's existing orders. 13 THE COURT: All right. 14 MR. HOEFLICH: No objection, Your Honor. 15 MR. JASO: Thank you, Your Honor. 16 THE COURT: Thank you. MR. ZIMMERMAN: And I, too, have assured Eric and 17 18 his co-counsel that they have found a good home in this 19 court. 20 I'll tell you a funny story. Yesterday I'm having 2.1 lunch up in the fourth floor of Gaviidae, which is across 2.2 from my office. There's like a McDonald's and a Subway, 23 which is about all I can afford right now. 24 (Laughter.) 25 MR. ZIMMERMAN: And I was getting a sandwich and

I'm dressed in corduroys and a shirt and I don't know if I had a sport coat on or not and this woman walks by me and she says, Are you Bucky Zimmerman? Yes. I'm a little scared at that question, but she was an attractive young woman, kind of came up to me. I said, Yes. And she says, Well, I'm Laurie Simpson. And I had never met her before in my life and she happened to be the, I guess, realtor --

MR. MAGNANINI: Relator.

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MR. ZIMMERMAN: -- relator in this case and she happened to spot me at lunch. And so I chatted with her for a moment and thought what a serendipitous moment that was.

So then I said, I would like to meet with you and your counsel tomorrow just to see where things are and introduce you to the Court. So we met this morning for coffee down in the Federal Cafe and got to be introduced to her counsel and a little bit about their claim.

And I know nothing about it and so I don't make any statement here one way or the other. We're here to help if we can. The infrastructure is here and we'll just see what happens. And so I just don't want to put any more emphasis or less emphasis on it at this point because I'm just here kind of as new to this case. I knew nothing about it until very, very recently. And so we're just here to guide it through as need be and the battle will be engaged.

THE COURT: Thank you on that.

MR. ZIMMERMAN: The next -- I think that is the qui tam action. The next is the future of the MDL and there's a line from a song, "The future is so bright I've got to wear shades." Was that the line? Something like that.

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The future of the MDL is that we're going to work through the rest of these small number of cases, we're going to let the process be what the process is, the qui tam action keeps the door open a little bit for whatever is going to happen within that action, and that the Plaintiffs' Steering Committee will stand ready, willing, and able to do that which it needs to do during the period of time in which the cases remain.

We would like to at some point be sure we close it down so that people have their dockets freed and their responsibilities terminated at the appropriate time, and I guess we'll have more discussions of that as the few cases that are winding down throughout this MDL find its way —find their way home.

I don't know what more I can say about it other than that. I had figured that we should just bring that up to the Court as sort of the end game idea, that as in law nothing actually ends on schedule or on any time when we can necessarily give a fixed date to it, but we're seeing the light at the end of the tunnel and we're almost there and

1 what will happen with the qui tam case and what will happen 2 with the few remaining cases we'll shepherd through as 3 appropriate. THE COURT: Well, I hope it ends before 4 December 21, 2012. 5 MR. ZIMMERMAN: And that is --6 7 THE COURT: The end of the Mayan calendar. MR. ZIMMERMAN: We will write that date down in 8 9 stone, Your Honor. 10 I don't know if the Court has any further 11 questions. I don't know if Special Master Haydock has any 12 questions. 13 Mr. Lockridge. 14 THE COURT: Mr. Lockridge. 15 MR. LOCKRIDGE: I'd just like to say two things, 16 Your Honor. First of all, I do believe there will be a few 17 18 more cases, rhabdo cases, filed. Actually, I believe our 19 firm will be filing them. It's my understanding there have 20 been some discussions with Shook Hardy and they want the 2.1 cases filed. 2.2 But most importantly, I do want to just emphasize 23 what Mr. Zimmerman said. It's been a pleasure and an honor 24 to appear before Your Honor for these past several years and 25 I think this MLD has gone as well as any MDL that I've ever

been involved in, and I've been involved in many MDL's around the country. I think this will be viewed as a model MDL going forward by many other judges and certainly by MDL attorneys, perhaps by the MDL panel also. And I should also say that we look forward to getting more MDL's in the future before this district and before Your Honor.

So thank you very much.

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THE COURT: Thank you.

MR. HOEFLICH: Your Honor, I just want to join
Mr. Zimmerman and Mr. Lockridge in thanking the Court for
all of its enormous efforts on behalf of all of the
litigants, you, your clerks, your staff have done, putting
in an enormous effort into this case over the past seven
plus years, and all of us appreciate it.

We appreciate the efforts the Court continues to put in. We understand that motions have been significant, that the Court has to put in an enormous amount of work in resolving them to date, and that is something that all of us have appreciated. We understand just what an effort that takes.

We understand and appreciate the Court's continuing efforts on new cases as they're adding, including the qui tam action. The underlying matters involve the same facts. We know that as the panel continues to transfer these cases here, that continues to be something that

1 requires the Court's efforts. 2 And you have all of our appreciation for what the Court and all of its members have done for all of the 3 4 parties in litigation. THE COURT: Well, I would like to thank both 5 It's been a pleasure and continues to be a pleasure 6 sides. to work with all of you on these matters. 7 I look back -- we were just reminiscing in 8 9 chambers about where we've been the last seven years. 10 been an interesting case and I'm glad I've been a part of 11 it. 12 So I hope I've done my job as a judge to make sure 13 that we administered justice in a fair and equitable way. These cases are very difficult. We started out with, what, 14 15 9,000 cases or some plus and we're down to 35. 16 MR. HOEFLICH: And a lot more plaintiffs than 17 there were cases. 18 THE COURT: That's true. 19 MR. HOEFLICH: It's been an extraordinary effort 20 on the part of the Court, on the part of the special 2.1 masters, and the parties working together. 2.2 THE COURT: Well, I appreciate everyone's effort 23 in this matter. It's been a pleasure for the Court. 24 MR. HOEFLICH: Thank you, Your Honor. 25 MR. BECNEL: Judge, I want to --

1 THE COURT: It would not be a status conference 2 without you, Danny. Welcome. 3 I want to invite you, since you MR. BECNEL: started this case in New Orleans, to come down to New 4 5 Orleans in February because it's going to be awfully cold in this town here and the American Association of Justice is 6 having their mid winter convention. 7 THE COURT: American --8 9 MR. BECNEL: It used to be ATLA. 10 THE COURT: Okay. 11 They changed the name, making it more MR. BECNEL: 12 palatable to some people. And since --THE COURT: I don't think it will ever be 13 14 palatable to the defense. 15 MR. BECNEL: Look, they're going to have --16 there's a new day now. They forget that. It's a new day. A different set of judges are coming. 17 18 In any event, we're going to have a nice event. 19 I've invited the Attorney General -- former Attorney General 20 from Belgium and he is presently the president of the Senate 2.1 in Belgium and a number of officials from foreign countries 2.2 to a party I'm giving at Mulate's, which is a Cajun type 23 restaurant, during that event and we'd love to have you and 24 hope you come down. 25 THE COURT: Thank you. Hour hospitality is always

the best, Mr. Becnel, and at some point we will have a status conference somewhere. I don't know -- it certainly won't be in Minneapolis.

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MR. LOCKRIDGE: Not in February, I hope.

MR. ZIMMERMAN: Talk about model MDL's, and Dick Lockridge said it and we've all said it in some fashion. We did some courageous things, and Your Honor took us on the road. We did travel first to New Orleans, where we broke some incredible ground. It's hard to remember as you're living it, but as you look back we realize what a defining moment that was in relationships being formed and in decisions being made.

In New Orleans we made some important decisions and we'll all remember them, when people got up and said, We're going to resolve important cases and injured -- people who are injured are going to be compensated and we're not going to pay for cases where there is not going to be a deserving plaintiff, a deserving cause. And that's what happened and this Court got up and shepherded us through that process.

So maybe it is apropos we might go back down to New Orleans for our closing ceremonies, if you will, and we'll leave that to the discretion of the Court, but I'm touched by what we did and what we accomplished and how we got there and the courageous moves and the difficulties we

encountered and how we got through it all, and here we are today with the record as it exists.

And so I'm a proud member of the team. I'm a proud participant in the process. I've learned a lot. I hope the Court has enjoyed it. I hope the parties have all gained respect for one another. And we'll be on to other mass torts as we resolve these problems that are complex and difficult for our country and for our judicial system.

We've all been aided by the learning that we've gained here and I appreciate it very, very much. And it goes without saying that I have grown through the process personally and professionally and I'm proud to be a part of it.

Thank you.

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THE COURT: Well, Mr. Zimmerman and Mr. Lockridge, as co-lead counsel, when I made the appointment seven plus years ago I expected high quality representation from you and I have received that.

So you have my admiration and I will certainly recommend you to any other judge dealing with any other MDL's because you've handled many a crisis in a very professional manner and you weathered the storm on this one and I appreciate that.

MR. ZIMMERMAN: Thank you.

MR. LOCKRIDGE: Thank you.

1	THE COURT: If there's nothing further, let's
2	adjourn to chambers.
3	(Court adjourned at 10:05 a.m.)
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7	I, Lori A. Simpson, certify that the foregoing is a
8	correct transcript from the record of proceedings in the
9	above-entitled matter.
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11	Certified by: <u>s/ Lori A. Simpson</u>
12	Lori A. Simpson, RMR-CRR
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