

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MILLER, .
 .
 Plaintiff, .
 . Case No. 09-cv-04414
vs. .
 . Newark, New Jersey
ZIMMER HOLDINGS, INC., . March 24, 2015
 .
 Defendant. .
 .

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE STEVEN C. MANNION
UNITED STATES MAGISTRATE JUDGE

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1 (Commencement of proceedings at 4:14 P.M.)

2

3 THE COURT OFFICER: We're on the record in *In re*
4 Zimmer, Docket Number 9-cv-4414.

5 Can I have the appearances of counsel, please?

6 MR. TANKARD: George Tankard, Waters & Kraus
7 counsel for plaintiffs.

8 THE COURT: Okay. You're just going to have to aim
9 into the microphone a little bit better.

10 MS. COLE: Kyla Cole, Waters & Kraus on behalf of
11 the plaintiffs.

12 THE COURT: Okay. Welcome.

13 MS. FLEISHMAN: Wendy Fleishman from Lief Cabraser
14 on behalf of the plaintiffs. And we switched sides,
15 Your Honor, just because we have more of us today.

16 THE COURT: Okay.

17 MS. FLEISHMAN: A rare occasion that it's more
18 plaintiffs.

19 MR. LEATHERS: Dan Leathers with Lief Cabraser for
20 the plaintiffs.

21 MR. TROXEL: Jeremy Troxel with Lief Cabraser for
22 the plaintiffs.

23 THE COURT: Okay.

24 MR. SAYEG: Ilyas Sayeg of Maglio Christopher &
25 Toale for the Maglio Christopher & Toale state court

1 | plaintiffs.

2 | THE COURT: Okay.

3 | MR. SMITH: Terrence Smith, Davis

4 | Saperstein & Salomon for plaintiffs Goldstein and Kayal.

5 | THE COURT: Okay.

6 | MR. BADARUZZAMAN: Good afternoon, Your Honor, Asim

7 | Badaruzzaman, Seeger Weiss for the plaintiffs.

8 | THE COURT: Okay.

9 | MR. IRWIN: Good afternoon, Your Honor, Judge

10 | Gregory Irwin from the firm of Harwood Lloyd representing

11 | plaintiff Kenneth Schopp.

12 | THE COURT: Okay. Welcome. I see from my sign-in

13 | sheet no one signed in for the defense? But are you about

14 | to, I guess?

15 | MR. TANNER: I think we're maybe on a second page

16 | there. We did sign in.

17 | THE COURT: Ah, under the plaintiff's side, got it.

18 | Okay. Got it.

19 | MR. TANNER: Sorry, we'll do better next time.

20 | THE COURT: It's all right.

21 | MR. TANNER: I apologize. Joe Tanner, Faegre Baker

22 | Daniels on behalf of the defendants.

23 | THE COURT: Got it. Okay.

24 | MR. CAMPBELL: Andrew Campbell, Faegre Baker

25 | Daniels, on behalf of defendants.

1 THE COURT: Okay. Got it.

2 MR. FANNING: Ed Fanning from McCarter & English
3 for the defendants, Your Honor.

4 THE COURT: Okay. Got it.

5 Okay. All right. And now that we've straightened
6 out the plaintiffs versus the defendants, welcome down to
7 Courtroom 3C. This is, I guess, our inaugural visit down
8 here for all of you.

9 First thing I want to, I guess, bring to your
10 attention, I did sign within the past few days an order
11 adding, I think it was another 13 cases to this MDL, and that
12 brings us up to, I think, 380 cases at this point. And let's
13 see here. I'm looking for our agenda, letter. And that the
14 March 17 letter?

15 UNIDENTIFIED SPEAKERS: Yes.

16 MR. TANNER: That's correct, Your Honor.

17 THE COURT: Okay. Okay. So first up on the agenda
18 was plaintiff's motion to amend the case management order to
19 require a contribution by state court plaintiffs. And we
20 received papers on that.

21 Who would like to be heard on that issue first?

22 MR. TANKARD: Your Honor, George Tankard. It's our
23 motion.

24 THE COURT: Yes, put that microphone directly in
25 front of you, so the folks on the telephone can get the full

1 | pleasure of your voice.

2 | MR. TANKARD: And, Your Honor, I know you've read
3 | and reviewed the papers, so I won't go through that verbatim.
4 | Just try to hit some of the high points.

5 | Basically, I guess most fundamentally and first,
6 | it's the -- it's our view that the Court does have the
7 | jurisdiction to impose this. And in our reply memorandum, we
8 | specifically acknowledged, although there's a split among the
9 | jurisdictions, that the Third Circuit has indicated that
10 | Your Honor has the ability to -- to do that.

11 | THE COURT: I'm inclined to disagree, but --

12 | MR. TANKARD: Okay.

13 | THE COURT: -- I'm welcome -- welcome to hear you.
14 | I think I have a more narrow view of this Court's
15 | jurisdiction than you do.

16 | MR. TANKARD: Understood, Your Honor.

17 | The -- really, the -- the issue is the whole
18 | concept of an MDL falls apart -- and this really bleeds over
19 | to the other state court motions -- if there's no mechanism,
20 | no effective mechanism for funding the efforts of the lead
21 | plaintiffs' counsel who are actively litigating the case.
22 | And so to -- to allow that is really to allow unjust
23 | enrichment and not have a means for -- for the cases to be
24 | prepared and ready for trial.

25 | I mean, it's really that simple.

1 The -- the landscape really shifted also -- and we
2 set that out in our papers -- where there was a period -- and
3 I know Your Honor is relatively new to this MDL -- there was
4 a period where it was all mediation and **settlement** mode. And
5 by design, there was a stay of discovery, no discovery was
6 ongoing. There were some legal issues that held up
7 discovery. We finally worked through those.

8 And -- and now, we're in a different -- we're in a
9 different position, and the litigation has to be -- has to be
10 funded. We are hamstrung by a case management order that
11 requires us to give over information, to crossnotice
12 depositions in state court cases, and then basically include
13 individuals for their benefit without having any means of
14 recouping the considerable efforts that we've gone to great
15 lengths in our papers to point out to the Court.

16 So it's really -- it's fundamental to this process
17 that we be allowed to be compensated fairly for the efforts
18 that will benefit all litigants.

19 And I think it really goes to the question of not
20 viewing those efforts in a vacuum. It's easy to say, oh, I
21 did not specifically call you up and ask for a deposition of
22 this expert. But if you're negotiating these cases and the
23 defendant does not want to pay fair value or doesn't want to
24 pay anything, then -- then you're really -- you have no
25 choice but to try your case. And you can't try your case if

1 somebody has not prepared the case to be tried. And that's
2 really -- really the crux of this.

3 We've outlined here that we believe the Court does
4 have jurisdiction, does have the power to do that. I know
5 you've indicated you do not view it that way.

6 It's -- it's -- it would be preferable had the CMO
7 made some different provisions and it had been more explicit
8 and addressed some of these issues head on.

9 But we are where we are in 2015. And so that's why
10 we're simply asking at a minimum on a go-forward basis to do
11 something in the CMO to correct that.

12 We also think that particularly for cases that have
13 settled recently that were not part of what we view as that
14 prelitigation -- that really began, that the intensive
15 efforts really began in 2013, we believe that the cases from
16 that time forward, that they're benefitting from the
17 litigation moved forward, and defendants knowing that there
18 is -- there is a day of reckoning if they want to take a
19 position at the bargaining table that is not paying fair
20 value for the cases.

21 THE COURT: Well, I'm curious, what -- what's been
22 happening at the bargaining table between the MDL plaintiffs
23 and the state court plaintiffs? I mean what -- what
24 communications have you had about, hey, you should buy in for
25 the future, as you're talking about.

1 MR. TANKARD: As the Court might imagine, it
2 varies -- it varies from plaintiffs' counsel to plaintiffs'
3 counsel. And some have been very actively engaged in seeking
4 out our advice and counsel and getting the materials, and
5 others not so much.

6 THE COURT: Of the ones that have been active, do
7 they want to contribute going forward?

8 MR. TANKARD: No, I don't think anybody wants to
9 contribute. That's the point. They are -- you know, they
10 are -- they would rather say, oh, we didn't benefit from
11 this, because we didn't specifically obtain your materials
12 and try the case with those materials.

13 THE COURT: Right.

14 MR. TANKARD: And that's where the Court --

15 THE COURT: But if you have something that they
16 want, doesn't that give you leverage to work out an agreement
17 going forward?

18 MS. COLE: May I address that, Judge?

19 THE COURT: Please.

20 MS. COLE: Unfortunately, we have no leverage. We
21 have -- you know, we don't have -- we're not in a situation
22 of some of these MDLs where this is a global settlement being
23 discussed, and we are not able, because the discovery
24 confidentiality order mandates that as soon as a state law --
25 state court plaintiff signs that discovery confidentiality

1 | order, we are required to share the MDL discovery with them.
2 | We have no leverage. We have no tools. We've had to pass
3 | out our -- our work to 25-plus firms, just because they were
4 | willing to sign the confidentiality order and agree to be
5 | bound by the CMO, and the CMO doesn't have a mechanism in it
6 | by -- whereby they're also agreeing to contribute.

7 | So for 25-plus firms, the genie's out of the
8 | bottle. And what we are hoping for is we're hoping for an
9 | amendment to the case management order going forward that at
10 | a minimum will allow that anybody who participates in using
11 | our discovery has to contribute.

12 | THE COURT: By "participate," do you mean
13 | "receiving"?

14 | MS. COLE: That would be my argument, yes. And at
15 | this stage, I've had a number of state court plaintiffs call
16 | me up and say, hey, the judge -- the state court judge is
17 | telling me that if I don't need to do discovery, that I
18 | can -- you know, start -- you know, have a trial in six
19 | months. Can I take that deal?

20 | And I'm, like, yeah, take it, the work's done. And
21 | conversely, Zimmer has been crossnoticing every one of these
22 | depositions in every state court case, and my bet is that if
23 | a state court plaintiff stood up and said, I want to go back
24 | to London and I want to depose those 16 people again, that
25 | Zimmer's going to say, no, it's already been done, and you

1 | can't do that.

2 | THE COURT: Okay.

3 | MS. COLE: So that's our problem is is at a minimum
4 | we need something moving forward. And we would also like to
5 | address, if there's any way to go back and deal with at least
6 | the plaintiffs who have taken the benefit of our discovery
7 | and, arguably, you know, any plaintiff has benefitted from
8 | our leverage.

9 | THE COURT: Let me hear from the state court
10 | plaintiffs that are opposing. Because defendants were
11 | essentially "me too" briefs.

12 | MR. SAYEG: With just a couple of minor points to
13 | that.

14 | THE COURT: Okay. Sure, come up, yeah, please.

15 | MR. SAYEG: Thank you, Your Honor. Ilyas Sayeg,
16 | once again, from Maglio Christopher & Toale. And this is --
17 | this is an odd position for us to be in, and we don't
18 | necessarily be here and be cross with the plaintiffs with the
19 | PLC.

20 | But we do believe that first and foremost, this is
21 | an issue of jurisdiction, and we've -- I think we've briefed
22 | those points. Without the cooperation from the state courts,
23 | I don't -- we don't believe the federal courts can mandate
24 | the state court plaintiffs pay fees into a federal court MDL,
25 | and we believe the Manual For Complex Litigation discusses

1 | that quite a bit, as does -- I think the --

2 | THE COURT: But we can also -- we also have
3 | jurisdiction over this case, and I can restrict the discovery
4 | from flowing to the state court plaintiffs. Correct?

5 | MR. SAYEG: I think that's correct, Your Honor.
6 | And I think what is missing here is the cooperation before
7 | the fact, between the PLC and the state court plaintiffs.
8 | And this -- this blindsided us when we saw this motion come
9 | in. I can discuss a little bit as far as the crossnotices
10 | and the depositions. We didn't ask to be crossnoticed in
11 | those depositions. And we made our objections known to
12 | defendants, that we object to be crossnoticed in those
13 | depositions, given that at the time we were -- we were so
14 | early in the litigation in those state court cases in which
15 | we were crossnoticed that we could not have possibly been
16 | prepared to adequately represent our clients' interests at
17 | those depositions.

18 | THE COURT: Well, let's talk about going forward.

19 | MR. SAYEG: Going forward, I believe --

20 | THE COURT: The cake of what's been done before us,
21 | that's already -- that's already said and don. But going
22 | forward.

23 | MR. SAYEG: I think going forward, if the discovery
24 | from the MDL needs to be used in our state court cases, I
25 | believe that that mandates a discussion between the state

1 court plaintiffs and the MDL leadership so that we can
2 discuss what are we going to use, what benefits are the state
3 court plaintiffs going to get, and have an agreement between
4 those two parties as far as what the benefit is and what
5 should be paid.

6 But to have a blanket order from the MDL stating
7 that all settlements from all state court plaintiffs must
8 contribute the same, I think would be overreaching and would
9 flip the unjust enrichment on its head. We -- our firm has
10 been litigating and settling these cases since before the MDL
11 existed, has continued to do so. And to assume that every
12 single settlement that we're able to achieve on behalf of our
13 state court plaintiffs who choose not to participate in the
14 MDL, have benefitted, I think is an assumption that is not
15 substantiated.

16 THE COURT: Okay. Well, what would be wrong with,
17 as previously argued, requiring anyone who receives discovery
18 from the MDL from agreeing to some level of contribution,
19 some minimum level, whatever it is. I don't know.

20 MR. SAYEG: That 's not to say that the discovery
21 is used, however.

22 THE COURT: No, no, no, but if you sign up and say,
23 yes, I'm signing my name on this list, I want to receive
24 discovery, and for that, whatever it is, I'll receive -- I'll
25 contribute at some level. There'll be some level of buy-in,

1 and then some sort of agreement on -- that could be arranged
2 from X to Y, based upon what the value is, but at a minimum,
3 there's going to be some contribution. What would be wrong
4 with that?

5 MR. SAYEG: I think that's what should take place,
6 a discussion between the MDL and the state court plaintiffs
7 as to something like that occurring, but that should take
8 place at the state court level, and order -- or, that should
9 take place, I'm sorry, between the state court plaintiffs and
10 that the MDL plaintiffs as opposed to an order coming out of
11 the MDL and this Court. I believe that can be done in a
12 private agreement without putting the MDL plaintiffs and the
13 plaintiffs' leadership at odds here at this court.

14 THE COURT: No, I understand.

15 And -- but would you also agree, though, that this
16 Court can turn off the discovery so that the state court
17 plaintiffs do not receive any, so that they're not receiving
18 an unjust benefit.

19 MR. SAYEG: I believe that can certainly be done.
20 And I believe if a system like that is used -- I think our
21 firm was put in a weird position, where -- especially with
22 those crossnotices, where we are -- we do believe we're in
23 the position that Ms. Cole stated where we were noticed for
24 discovery in a -- prior to us being ready. And we -- we're
25 fairly sure we're going to get into that situation where in

1 | the future we would not be allowed to take further discovery
2 | when we have certain specific needs that we would need to
3 | investigate for our particular plaintiffs.

4 | And I think those issues need to be protected, and
5 | that needs to take place on a case-by-case basis with the
6 | state court plaintiffs that we represent, because they chose
7 | to stay out or had the opportunity and chose to stay out of
8 | the federal court MDL.

9 | THE COURT: Anything else? I cut into your
10 | argument, so ...

11 | MR. SAYEG: That's pretty much it, Your Honor.
12 | We -- our main goal was that on its own, the requested
13 | amendment would be beyond the jurisdiction of this Court and
14 | that the assumption that there's an unjust enrichment without
15 | any investigation into the particular issues would be
16 | premature.

17 | Thank you.

18 | THE COURT: Thank you very much.

19 | Defendants? Before we have reply?

20 | MR. TANNER: Sure, five quick points, Your Honor.

21 | THE COURT: Sure.

22 | MR. TANNER: First, we would agree with -- sorry --
23 | we would agree with you on the narrow interpretation of
24 | jurisdiction. Just don't think this Court has jurisdiction,
25 | with all due respect.

1 Second, we disagree with the factual assumption
2 that the work effort put in by plaintiffs' counsel, which we
3 do not doubt, is value with respect to the settlement.
4 Anything, it's increased Zimmer's costs, and we went into
5 this from the very beginning, four and a half years ago with
6 Judge Arleo, and we said, you know, we were trying to make a
7 concerted effort to settle these cases, but when we start
8 litigating, it's going to affect the values. And it has.
9 And the other thing it's affected is there's been a defense
10 verdict in the only case that's gone to trial.

11 So we respectfully dispute that it's increased the
12 values of the settlements to the plaintiffs.

13 Third point, we think it'll chill settlements. If
14 the -- if the state court plaintiffs know there's 4 percent
15 they have to pay in to a fund that they themselves that don't
16 agree should be paid into, we think that has an effect on the
17 settlements.

18 Fourth point, this CMO on the payment of the common
19 benefit fund was what they wanted. This is the language that
20 they put forth, that they now want to change. And the
21 ability to share discovery with state court plaintiffs is
22 something they wanted to put in there. And we found a way to
23 say, okay, we'll do it, but we have to make sure the state
24 courts have a protective order that is a substantially
25 similar to the MDL order, and then that's okay, but this is

1 | not something that should -- that is a surprise or something
2 | we put through. They wanted -- they wanted to be able to
3 | share it with state courts. And now they're coming back and
4 | saying, well, wait a minute, now we want it -- we want to
5 | make money from that, or we want to pay for that, and we just
6 | don't think that's appropriate.

7 | And fifth is the final point made in our papers is
8 | if some order like this were put in place, we would like
9 | protection to Zimmer that basically we're not going to get
10 | caught in the middle of this. We'll reserve the funds as
11 | we've reserved, we'll pay the funds as part of -- court's
12 | order, but we think the state court plaintiffs should be put
13 | on notice with that they should have a right to object, all
14 | that fighting includes them. We just don't want us to incur
15 | the costs and the administrative hassle of dealing with
16 | that -- thank you.

17 | THE COURT: Okay.

18 | MS. COLE: Judge, we have no problem with -- with
19 | Zimmer staying out of it. We don't think that's any of their
20 | business, with the caveat that part of the problem is
21 | Zimmer-created. Zimmer marched to every state court in this
22 | country and stood up and said, you're not allowed to do
23 | discovery here. You need to take place in the MDL discovery.
24 | I stood in both California and Illinois and been told that I
25 | didn't -- couldn't stand up in my own state court cases and

1 argue for discovery, that the only place Zimmer wanted to
2 argue it was the MDL. And they've been doing that with the
3 state court plaintiffs who don't have liaison counsel level
4 as well.

5 So I expect Zimmer's going to keep doing that. And
6 to the extent that plaintiffs, you know -- I think you've got
7 it right. Discovery is flowing from the MDL to the state
8 court plaintiffs. It is benefitting everybody. It's
9 benefitting --

10 THE COURT: At least arguably.

11 MS. COLE: Arguably.

12 THE COURT: Some say no.

13 MS. COLE: But, I mean, it's benefitting Zimmer.

14 It is been -- to the -- if the plaintiffs choose to use it or
15 to the extent that they're hamstrung from doing their own
16 discovery by Zimmer's arguments, they've at least got options
17 available to them.

18 So we would like the CMO to be amended to shut the
19 valve down until we can craft a better -- a better option.

20 We would also ask that we be able to submit
21 findings of fact for the Court to find that in the cases of
22 the 25-plus firms that have already received our discovery,
23 that there has been an enrichment -- by our work, so that we
24 can at least, you know, begin the discussions with those
25 state court plaintiffs. If there is to be a private

1 | agreement, as the state court counsel suggests, the CMO is
2 | going to have to be amended to allow for a private agreement.

3 | So regardless of whether or not you feel you can
4 | argue the state courts to do anything, we've got to amend the
5 | CMO to shut the -- shut the faucet off and make provisions
6 | for whatever the Court feels is the appropriate way to
7 | address this going forward.

8 | THE COURT: Thank you.

9 | All right. I will reserve a decision on this
10 | issue. It's given me some interesting things to think about.

11 | Next issue up for discussion, let's see, certain
12 | plaintiffs' motion to reduce common benefit contribution.

13 | This one -- this motion was filed September 23d,
14 | 2014. I did not receive opposition until March 19th, 2015.

15 | So let's start, why was there no opposition until
16 | just this past week?

17 | MS. COLE: Your Honor, we apologize for that.

18 | There was a miscommunication between the plaintiffs'
19 | coliaison offices. Ms. Fleishman's office was the one that
20 | the individual state court plaintiffs reached out to say that
21 | they were filing the motion. We were not aware the motion
22 | had been filed until we were standing in Judge Wigenton's
23 | court last month or earlier this month, I guess, and that was
24 | the first time that we had learned about the motion being
25 | filed. And we've now taken the opportunity to respond.

1 THE COURT: Okay. Well, I guess that would explain
2 why it wasn't on the list, at least, from your perspective
3 before Judge Wigenton.

4 So let me hear from you folks. Why wasn't it on
5 the prior list?

6 MS. FLEISHMAN: We never got it. That was the
7 problem we raised when we were before Your Honor and Judge
8 Wigenton, that we had not -- we had not gotten notice of
9 this. And she -- counsel said that she had called us or
10 emailed us, and I went back and double-triple-checked and I
11 haven't found anything.

12 THE COURT: Okay.

13 MS. FLEISHMAN: So -- and I looked in my spam
14 filter, quarantine filter, couldn't find it there. I'm not
15 sure where it had been filed. But we didn't know.

16 So I went back and -- and then -- and counsel just
17 said that they were going to oppose it, because it's not been
18 our position to oppose this in the past, especially in her
19 situation when it was so much earlier. You know, that --

20 THE COURT: Well, I forgot, just say your name for
21 the record for the recording.

22 MS. FLEISHMAN: Oh, I'm sorry.

23 THE COURT: Sorry.

24 MS. FLEISHMAN: My name is Wendy Fleishman.

25 THE COURT: Okay. If you'd just -- yeah, move the

1 base of the microphone. You grab it by the base, otherwise,
2 it'll pull out. Don't bring the microphone to you.

3 MS. FLEISHMAN: Oh, okay, thanks.

4 We -- in the -- at the time, she had filed this, we
5 would not have opposed it either, because at that point, it
6 was still early and it was still before we had engaged in any
7 substantive discovery. And at that point, we were not
8 opposing requests for reduction in common benefit costs and
9 fees, because it seemed that that -- that there was no
10 benefit, you know, exchanged.

11 But then once discovery was undertaken, then it --
12 I think the situation had changed dramatically.

13 THE COURT: Okay.

14 MR. SMITH: Judge --

15 THE COURT: Why don't you come on up to the
16 microphone.

17 MR. SMITH: -- I may be able to add something to
18 the procedural aspect.

19 THE COURT: Introduce yourself so the record knows.

20 MR. SMITH: Sure. Terrence Smith, Davis,
21 Saperstein & Salomon.

22 We were kind of in the same situation. We had two
23 clients recently settled. We filed motions on their behalf
24 to waive common benefit assessment. And we filed them in
25 their specific cases.

1 As it turned out, our motion was filed on the same
2 day that the Court entered the order closing the case,
3 because stipulation of dismissal memorializing the settlement
4 had been put in place.

5 I don't know how the actual email notice chain
6 works for specific cases, but it was my understanding that I
7 was sending our motions through the general PACER to all
8 counsel who were involved in the entire litigation. That may
9 not have been the case, because when we called the other day,
10 our advice was to refile them on the general docket, which we
11 did.

12 And we -- we filed them after liaison counsel's
13 opposition to the general issue had been posted to the Court.
14 Our papers were there in closed cases. Liaison counsel filed
15 their opposition, and then I sent in a reply to the
16 opposition the other day on behalf of our clients.

17 But I think that there may have been a procedural
18 problem simply in if you file motions in specific cases, they
19 may not have gone out to the universe.

20 THE COURT: Yeah, it won't, as far as I know.

21 MR. SMITH: Okay.

22 And I will address the merits for my client when we
23 get around to it.

24 THE COURT: Okay. Well, you can do that at this
25 point, if you'd like.

1 MR. SMITH: Okay. We filed motions on behalf of
2 Mark Goldstein and for Michael Kayal and his wife, both of
3 whom had recent mediations out in San Diego with a mediator.
4 And those cases resolved successfully following the
5 discussions. We filed the motions for waiver of the
6 assessment, as we had done back in 2011 for other cases that
7 we settled, and the basic point of the argument was we have
8 received no common benefit from any of the activities of
9 liaison counsel with regard to liability issues. We were not
10 provided any information on strategy. We were not provided
11 any information on prior settlement ranges, as is appropriate
12 because all settlements, I understand, have confidentiality
13 clauses. We have never benefitted from any of the
14 substantive liability discovery. We have not requested
15 copies of depositions or expert reports or any of that work
16 product based on our understanding that the mediations, at
17 least in years past and we believe carried forward, addressed
18 issues of proximate cause and damages only, that it was --
19 the reason we were having mediations at all was because they
20 were -- Zimmer was essentially conceding the issue of
21 liability for those purposes.

22 Liability never came up. We have had four
23 mediations so far; two in 2011, two in this year. The issue
24 of liability was never addressed by any of those sessions,
25 with a passing note of the mediator recently that -- as a

1 result of the defense verdict, Zimmer's position vis-à-vis
2 settlement has probably entrenched further from what it had
3 been all along, starting back, originally, Zimmer had made a
4 settlement offer to unrepresented plaintiffs with regard to
5 resolving their claims, paying certain kinds of hospital
6 bills.

7 So the point of it is that while we understand
8 common benefit and we have paid into it on behalf of our
9 clients in many other MDLs, that common benefit became part
10 and parcel of the broader settlement negotiations that
11 resulted in these national-level settlement programs.

12 The Durom MDL has been different in that respect
13 that it has been proceeding on essentially two parallel
14 tracks. There has always been mediation. The push for
15 liability discovery began in 2013, maybe a little earlier, on
16 behalf of certain plaintiffs. Our firm, our clients were not
17 part of that initiative and have not participated in it
18 through the present time.

19 We are happy to pay for common benefit as it
20 becomes an actual benefit to our clients. In the future, if
21 our mediation sessions prove unsuccessful and we are obliged
22 to move cases into liability and case-specific, there's no
23 question, I think that we would be obliged to make a fair
24 share payment of that common benefit discovery.

25 Our clients to date have not needed that.

1 And from a purely fairness point of view, I don't
2 think was -- is appropriate to require people to contribute
3 to a common benefit that is no benefit to them.

4 And we had in the past made the same motions. I
5 can tell you just for purposes of the record that our prior
6 motions, the court did not agree with us to waive the
7 assessments completely, and for our past mediations, the
8 court entered an order that the assessment was one percent
9 rather than what the case management order says.

10 We have a different circumstance now, a different
11 court. Our initial motion was the same, and that is that in
12 the absence of any provable benefit to our clients, we don't
13 think we should pay.

14 THE COURT: Okay. Thank you.

15 MR. SMITH: Thank you, Judge.

16 MR. TANKARD: Well, really it's the same arguments
17 essentially recycled except more compelling here, they are
18 part of the MDL. It's worth noting that these two plaintiffs
19 were direct-file MDL cases, so presumably, they received some
20 benefit of being part of the MDL.

21 I think it's just unrealistic to -- bless you -- to
22 view this in a vacuum and not confer benefit on the fact that
23 the case is being actively worked up and that there is some
24 leverage point. And so if they get to a point, if they have
25 more clients, I don't know if they do, and they can't settle

1 | those cases, they don't get their value for those cases, they
2 | get no offer for those cases, they don't have to spend two
3 | years working up the liability case. And that -- they are
4 | conducting negotiations in that environment, in that
5 | atmosphere. And that is the underpinnings of all the MDLs
6 | is -- is that the case is being -- is charging forward and
7 | that you by -- inherently benefit from the -- from the case
8 | being worked up. Otherwise, they're going to be left there
9 | alone. Go try your case, and then you've got no case to try,
10 | you know, there's nothing for you to do.

11 | So I -- to say that to prove direct benefit, I
12 | don't know how you would do that under these circumstances,
13 | but to ignore these extraordinary efforts that have put the
14 | case in a position to be tried and they're going to be an MDL
15 | case, as this Court knows, May 6th, I don't think anybody
16 | that practices civil litigation can deny the value of a trial
17 | date as a pressure point, value the case workup, meaningful
18 | case work up as a pressure point for settlement. And
19 | obviously, we're hamstrung because we don't know the
20 | particulars of these mediations, and we don't know a lot
21 | about settlement values. It's confidential. We have advice
22 | that we have been given by our fellow state court plaintiffs
23 | and fellow MDL plaintiffs that as of the time the discovery
24 | initiated intensely, that Zimmer moved into a much different
25 | posture and was more reluctant to come to the mediation table

1 at all, and several MDL plaintiffs came before Judge Arleo to
2 say we can't seem to get our cases scheduled for mediation.
3 And then -- again, this is anecdotally -- we don't -- there's
4 no way to conduct discovery on this issue or do some sort of
5 survey, most importantly, because of confidentiality issues.
6 But we have been told that, no, we are not able to settle our
7 cases, and that's well illustrated by the dearth of these
8 types of motions seeking waiver of the costs during this time
9 period, you know, really subsequent to 2011 when the tide
10 really shifted.

11 So I think you have to step back and use common
12 sense and knowledge of how civil litigation works and the
13 pressure points for settlements. And to -- to deny that
14 there's a benefit from that, I think it's just -- that's just
15 not common sense.

16 THE COURT: Okay. Thank you.

17 Okay. I'll also reserve decision on that
18 application.

19 And we will go to our discussion regarding request
20 for common issue discovery related to metallosis.

21 MS. COLE: Judge, we -- Number 3, plaintiffs' --
22 counsel's request for expense reimbursement? It is a
23 different issue.

24 THE COURT: Yeah. Okay.

25 MS. COLE: It's -- it's a very minor issue, Judge.

1 THE COURT: Okay. Sure.

2 MS. COLE: We have filed a motion and an order as
3 of whatever date we filed that motion, we were informed by
4 Zimmer that there was \$327,297.78 in their fund.

5 We submitted my declaration and a motion requesting
6 that that would be paid out to plaintiff's counsel,
7 \$36,973.04 to Lief Cabraser; \$290,324.64 to Waters & Kraus.
8 And it should be important to note that this is so solely
9 expense reimbursement. We have not submitted any fees
10 because of the dearth of money in the fund. We're just
11 asking that expenses be reimbursed. As far as I know,
12 there's been no objections raised, and we just need the order
13 signed so that Zimmer can issue us a check.

14 MR. TANNER: We have no objections to
15 plaintiffs' -- the money. We'll pay it however the Court
16 orders, so long as we're just absolved of any liability; once
17 we pay it, we're done. That's our only concern.

18 THE COURT: Okay. And the proposed order?

19 MS. COLE: Should be with the motion, Judge.

20 THE COURT: Do you have the tag number for
21 docket -- for docket entry?

22 MR. TANNER: 680-2.

23 THE COURT: 680 tag 2.

24 MS. COLE: I have a copy of the order, Judge. If
25 you'd like me to approach.

1 THE COURT: Sure. You can give it to Ms. -- it's
2 probably here in this stack for me.

3 (Pause in proceedings)

4 THE COURT: Okay. And defense counsel has no
5 objection to the form of the order. Correct?

6 MR. TANNER: Correct, Your Honor, with the
7 understanding that if Your Honor makes it on the record, I
8 think that's sufficient that we're absolved of liability once
9 we pay this amount of money. We don't want other state court
10 or other plaintiffs coming in and saying you shouldn't have
11 paid it, et cetera. We're following the Court's --

12 THE COURT: Okay. Next progress of mediations.

13 MR. TANNER: I don't know that there's a lot to
14 talk about, Your Honor. Usually, Judge Arleo wanted to know
15 how things were going. We've had 17 cases settled since we
16 were before Judge Wigenton on the 25th of February. We had
17 five scheduled yesterday and today. We're continuing to
18 resolve certain sets of Durom cases.

19 THE COURT: Okay. And 17 cases settled since then,
20 and those stipulations --

21 MR. TANNER: No, no, not all in the MDL, I
22 should --

23 THE COURT: Oh, because I was going to say, my
24 numbers aren't going down. That's what I'm looking for.

25 MR. TANNER: There are --

1 THE COURT: I see them going up. I don't see them
2 going down.

3 How many of those in the MDL?

4 MR. TANNER: I don't know the answer to that,
5 Your Honor. I don't have a list of which ones those are.

6 We're still mediating cases. I don't know exactly
7 how many of those 17 were in the MDL. I apologize.

8 THE COURT: Okay. Yeah, that's probably the number
9 that we're more interested in.

10 MR. TANNER: Understood.

11 THE COURT: I'm very happy, though, that the state
12 matter settled.

13 Okay. Individual plaintiffs' requests for
14 case-specific discovery.

15 MS. COLE: Hold on one second, Judge.

16 THE COURT: Sure.

17 (Pause in proceedings)

18 MS. FLEISHMAN: We don't know -- I don't -- I think
19 that may just have been an error.

20 THE COURT: Okay. I was going to say, because I
21 don't see it discussed in the body.

22 MS. FLEISHMAN: No, we're --

23 THE COURT: Okay.

24 MR. TANNER: That -- there were some people that
25 asked me to send letters about whether they could take

1 case-specific discovery. And there's already a court order
2 laying out how to do all that. So we -- we were going to
3 say --

4 THE COURT: See the order.

5 MR. TANNER: Yeah, there's another order. And some
6 people sent some letters in. That's all we were trying to
7 clean that issue up.

8 THE COURT: Okay. So for everybody on the
9 telephone, see the order.

10 MR. TANNER: There you go.

11 THE COURT: Now, we get to talk about metallosis.
12 This is one that got me out of bed this morning. I want to
13 hear about this.

14 So, please.

15 MS. FLEISHMAN: That's --

16 THE COURT: Oh, well. I won't say.

17 MR. LEATHERS: Good afternoon, Your Honor.

18 THE COURT: Good afternoon.

19 MR. LEATHERS: Daniel Leathers for the plaintiffs.

20 Our points are pretty well laid out in the letter,
21 but very briefly, it states that this, as has been stated
22 multiple times already today, that this case has gone on for
23 nearly five years now, and today's case is a very different
24 case than the case four and a half years ago. Today's case
25 involves people who -- especially cases that are filed right

1 | now, people who were implanted with Durom cups many, many
2 | years ago, almost a decade ago in many cases, and people who
3 | have failing Durom cups that loosening acetabular cups is
4 | what it's known, which is the -- not the cup component, the
5 | actual Durom cup component, that has become loose, and when
6 | it becomes loose and for lack -- very nonscientific terms is
7 | rattling around in there, hitting the ball, it can cause
8 | metallosis.

9 | As you might imagine, the longer people go with
10 | those types of problems, the more chance that metallosis can
11 | occur, and those are the types of cases that are being filed
12 | today which are very different than the cases that were being
13 | filed initially.

14 | Not only that --

15 | THE COURT: Do we know how many plaintiffs, if any,
16 | from -- that previously filed, that have cases pending, have
17 | been diagnosed with metallosis?

18 | MR. LEATHERS: We don't have a specific breakdown
19 | of the current number of cases of the 380 that are filed that
20 | are metallosis cases versus nonmetallosis cases. Plus, in
21 | addition to that, it very well could be as of the date of the
22 | filing, they weren't metallosis cases and today that they
23 | are.

24 | THE COURT: That -- that's the what I -- that's the
25 | number I was looking at, if you had it.

1 MR. LEATHERS: And in addition to that, the
2 discovery that was propounded back in the day, I would say --
3 I guess it was as early as 2010, this case, as we were told
4 by defendants explicitly, is not a metallosis case
5 whatsoever. This is about the Durom cup loosening. Those
6 are your claims in this case, which is absolutely true as of
7 2010, that those were our claims, our discovery was based on
8 those claims, and discovery moved forward on that basis. The
9 two cases that are set up to go to trial right now are not
10 metallosis cases.

11 And we need to have discovery, especially for the
12 next set of cases, but that we anticipate going to trial,
13 unless there's some sort of immediate mass resolution, that
14 are likely to be metallosis cases, that certainly plaintiffs
15 would want to push those cases as a separate category and set
16 of cases to go to trial and understand really that those
17 would be more complicated cases.

18 THE COURT: Well, talk to me about the pleadings on
19 how metallosis is included.

20 MR. LEATHERS: Sure, so, obviously, every
21 individual plaintiff can file however they want to plead
22 their cases, but for those that have pled their cases, they
23 would detail specifically in revision operation reports that
24 they've seen pseudotumors, that the doctor saw a
25 pseudotumors, that they removed metallosis, that they saw

1 | blood test results for cobalt and chromium of X, Y, or Z
2 | levels above what the standard range should be. So those
3 | would be the particular types of claims that plaintiffs
4 | individually would have.

5 | Sort of, I guess, as a side note, that maybe that
6 | you were sort of indicating, to maybe narrow down for
7 | everyone's benefit where someone would fall into those types
8 | of categories on a -- maybe just on a going-forward basis,
9 | having a short-form complaint created, which is pretty common
10 | in other MDLs, a short-form complaint basically being that
11 | these are the -- these are the basic pleadings. There would
12 | be a long-form complaint that states the general -- the
13 | general causes of action, but then the individual plaintiffs
14 | could say, I was implanted with a Durom cup on this side, on
15 | this date, I was revised on X date by this doctor in this
16 | hospital in this state. And I am or I am not claiming
17 | metallosis as a result. Obviously that can change. And
18 | there could be future case management orders that
19 | specifically state that, yes, you do have to, you know,
20 | update that claim later on so that way the Court and really
21 | the plaintiffs and the defendants can keep a run- -- a
22 | running record and a running tally and understanding sort of
23 | where the overall case is going as far as where the
24 | individual plaintiffs are.

25 | And that also can serve an additional benefit of

1 knowing how many cases are bilateral hips because many people
2 who received one Durom cup actually received two -- well,
3 eventually received a second Durom cup.

4 THE COURT: Okay.

5 MR. LEATHERS: So that's all I have on the
6 metallosis in addition to a few other issues that I
7 addressed.

8 THE COURT: Okay. Thank you.

9 MR. CAMPBELL: Thank you, Your Honor, Andrew
10 Campbell for the defendants.

11 Your Honor, I'd like to make four points. First,
12 metallosis is a well-known side effect of metal on metal
13 acetabular components, and plaintiffs have been aware of
14 metallosis as a theory of defect in these cases since the
15 litigation began.

16 There's simply no question that Zimmer warned about
17 metallosis as a side effect at the time it released the
18 product to the market in 2006. Zimmer conducted an
19 investigation into allegations of metallosis in 2009. This
20 MDL was not created until 2010, after that investigation had
21 been completed.

22 The plaintiffs in this litigation have filed
23 numerous cases with allegations specific to metallosis in
24 addition to plaintiffs with general allegations of defect
25 related to the Durom cup. Upon examination of medical

1 records, it's clear that they are metallosis cases. So
2 there's simply no questions that plaintiffs knew that
3 metallosis was a theory of defect at the outset.

4 Plaintiffs have also had every opportunity to take
5 full discovery on all theories of defect in this case,
6 including metallosis, and indeed, the plaintiffs have taken
7 fact discovery and expert discovery on metallosis. Discovery
8 in this case began in May of 2011. It closed in May of 2014.
9 And during that three-year period, Zimmer has responded to
10 243 requests for production; we've produced 1.8 million pages
11 of documents; we've participated in 22 common issue fact
12 depositions. Plaintiffs have taken discovery specific to
13 metallosis in that discovery. They have asked for specific
14 documents related to Zimmer's investigation of metallosis.
15 In depositions, they have asked company witnesses about that
16 investigation related to metallosis. So they had every
17 opportunity to explore these issues.

18 The third point, Your Honor, is that the parties
19 have disclosed at least six common issue experts who have
20 offered opinions about metallosis in this case. The
21 plaintiffs' lead orthopedic surgeon, common issue expert
22 Dr. Grimes, offers a specific opinion about a theory of
23 defect in the Durom cup that leads to metallosis. They have
24 a second orthopedic surgeon who has opined about the
25 potential for long-term complications of metal ion

1 dissemination, another term for metallosis. They have
2 case-specific experts who have done SEM analysis of
3 individual Durom cups and offered opinion about how those
4 individual Durom cups could give rise to metallosis.

5 And in response, Zimmer has disclosed three
6 experts: a biomechanical engineer who has spent sections of
7 his expert report analyzing plaintiffs' experts to respond to
8 metallosis claims. We've provided a toxicology expert
9 report, 22-page report devoted solely to the issue of
10 metallosis raised by Dr. Grimes. And finally, we've provided
11 an epidemiologist report who's analyzed complaint data to
12 study and look at how many of these claims relate to Durom
13 loosening, as Mr. Leathers said that this case was original
14 about, and how many relate to metallosis. All of that
15 happened within this three-year period of fact discovery and
16 expert discovery.

17 The fourth point, Your Honor, is that when
18 discovery closed in this case, it closed with the agreement
19 of all parties in the case. We got together and said, okay,
20 we've extinguished fact discovery in the case. We're ready
21 to close fact discovery. Let's conduct our expert discovery.
22 Then let's get these cases set for trial. Everyone was in
23 agreement on that. No one raised this issue of, wait, we
24 want to take additional discovery on metallosis and reopen
25 this at some later date.

1 The practical consequence of this, Your Honor,
2 reopening fact discovery to a new theory of defect, another
3 round of fact depositions, another round of expert reports,
4 expert opinions, expert depositions, simply shouldn't be done
5 when the plaintiffs had a full opportunity over the course of
6 this three years, they knew about the theory of defect, they
7 filed cases involving metallosis, they took discovery on this
8 specific issue, they've disclosed experts. And at this
9 point, we think it's simply too late to reopen that door.

10 THE COURT: Okay. Thank you.

11 MS. COLE: Your Honor, may I address a couple of
12 his specific points about discovery?

13 THE COURT: Sure.

14 MS. COLE: First, I think it's important for you to
15 understand that the science or at least the way doctors were
16 viewing hips changed drastically in December of 2012. That
17 is when the FDA gathered all of the experts on hip implants
18 and really began to look at metallosis as an issue going
19 forward and put standards out requiring practitioners to
20 conduct periodic x-rays and look at periodic blood monitoring
21 when there was any question of metallosis.

22 The difference between the cases filed in this MDL
23 in 2010 through 2012, and the cases filed in the MDL today is
24 that the doctors were actually looking for metallosis. My
25 client, Mrs. Brady and Mrs. Ruttenbur [phonetic], whose cases

1 are set for trial in the coming year, their doctors never
2 even did any metallosis testing. They never monitored their
3 blood. They weren't interested in metallosis. The people
4 whose cases are being filed today, they call me up on the
5 phone, and they say, let me tell you about my cobalt and
6 chromium levels. I mean, it's a totally different world.

7 THE COURT: But for the folks that were early on,
8 why, then, in 2013, 2014, after the FDA changed how it views
9 it this, why wasn't that discovery done at that point?

10 MS. COLE: Well, because it -- it was a factor of
11 where we were and what we were trying to do. There was a
12 lengthy period of time when we were working diligently to do
13 discovery on all of the aspects, including metallosis, and
14 frankly, that's why Dr. Grimes' report contains opinions
15 about metallosis is because we were trying desperately to
16 protect future plaintiffs because we were bumping up against
17 this deadline.

18 Ultimately, when the bellwether selection process
19 was completed, we realized that none of the cases that were
20 up in the initial bellwether, because they had to meet
21 certain date and filing criteria to even be eligible, that
22 none of those plaintiffs were metallosis plaintiffs. I think
23 there was only one person in the entire potential bellwether
24 pool that plaintiffs were looking at, that arguably had a
25 metallosis claim.

1 And so ultimately, we withdrew Dr. Grimes' report
2 as to metallosis and stated that we thought that it should be
3 pushed more specifically in cases where metallosis was an
4 issue.

5 It is -- it was an inaccurate statement, when they
6 talk about the plaintiffs have three experts that talk about
7 metallosis. We got a general causation opinion from
8 Dr. Grimes to kind of try to protect everybody. Dr. Kitziger
9 [phonetic] gave a case-specific opinion in which he has a
10 one-paragraph citation to the articles that exist about
11 metallosis, but he has not given a general causation opinion
12 in the MDL. And Dr. Bloebaum is a coatings analysis expert
13 who was not hired to give a metallosis opinion, so that was a
14 misrepresentation to tell you that.

15 We have asked some -- some questions about
16 metallosis when we were talking to witnesses, common issue
17 witnesses, that we thought had that knowledge. We went ahead
18 and did that work. But there was specific corporate requests
19 regarding metallosis and 30(b)(6) topics on metallosis that
20 we ultimately agreed with Zimmer to pull down to raise in
21 case-specific situations. And we did that with several
22 things, like, there -- you know, there was a clinical trial
23 in the U.S. relating to Durom that looked at resurfacing a
24 different type of femoral product than most of these clients
25 had. And we had initially asked some questions about that

1 and ultimately agreed with Zimmer to pull that back into
2 case-specific discussions.

3 It was -- it was always just a matter of these are
4 the deadlines that are in front of us, and these are the
5 plaintiffs that are initially eligible to be in the
6 bellwether process, and metallosis is not an issue for any of
7 those plaintiffs.

8 THE COURT: Okay. Again, I guess I -- I guess,
9 this was answered to some degree before, but I'm curious your
10 answer, what number of plaintiffs is this an issue for?

11 MS. COLE: I think that that's a mighty fine
12 question. And I think that maybe we should go back and look
13 and talk to the other MDL plaintiffs' counsel and get you a
14 number. That's the only way I can answer that question.

15 I can tell you that my firm only has two or three
16 cases out of 100-plus cases that are metallosis. But I can
17 tell you that we're seeing hugely increasing numbers of
18 metallosis cases in intake.

19 THE COURT: Okay. The two things that I'm
20 interested before I make a decision is the number of
21 plaintiffs and what discovery.

22 Anything else on the metallosis for now?

23 MR. CAMPBELL: No, Your Honor, I want to clarify
24 the record just so it's clear, Dr. Kitziger did offer a
25 common issue opinion as to metallosis, so there is not a

1 | misrepresentation there.

2 | Otherwise, you know, if you want the parties to
3 | gather this information, including discovery that's already
4 | been taken on this issue and provide additional information
5 | to you, we can certainly do that.

6 | THE COURT: Perhaps a summary from defendants on
7 | what -- just -- not a detailed, not --

8 | MR. TANNER: A letter?

9 | THE COURT: Yeah.

10 | MR. TANNER: Lay it out.

11 | THE COURT: A letter laying out what's been done in
12 | the metallosis through 2014.

13 | MR. TANNER: Okay.

14 | THE COURT: And then obviously, if there are -- I
15 | mean, we've got new cases being filed, you know, as we speak,
16 | and they may fall into a different ball game than the older
17 | cases. So from you folks, like to know how many plaintiffs
18 | in general, I suppose. And then what discovery you're
19 | looking for.

20 | You had something else, Ms. Fleishman?

21 | MS. FLEISHMAN: I was just going to address the
22 | fact that, Your Honor, we had -- actually we raised some of
23 | this discovery really early on. We met -- we met and
24 | conferred in July 2011 in my office, roughly around July 25,
25 | 2011. And at that point, we agreed to pull back a lot of the

1 | discovery, a lot of the requests for production, a lot of the
2 | interrogatories and pull back a lot of the requests to depose
3 | groups of witnesses so that we could do more focused
4 | discovery going forward. And there was an agreement between
5 | the parties that we would revisit this at a later point.

6 | THE COURT: Was that memorialized somewhere some
7 | for the Court?

8 | MS. FLEISHMAN: It was. We reported it to the
9 | Court -- and I'll go back to the transcripts, because I -- to
10 | make sure, if I can find the information. But I recall
11 | meeting, because I had just had a kidney transplant and
12 | Mr. Tanner asked me to come into work to have this meeting,
13 | so that is why I remember it so clearly.

14 | THE COURT: And was that a meeting before Judge
15 | Arleo?

16 | MS. FLEISHMAN: It was a meeting in my office. And
17 | then we reported about the meeting, I think, subsequently to
18 | that. And I don't recall the date of that. But I will go
19 | back and double-check.

20 | THE COURT: Mr. --

21 | MALE SPEAKER: What's -- which part?

22 | MR. TANNER: I just can't -- Judge Arleo set the
23 | date and said she wanted all the parties to meet in New York
24 | in their offices. I didn't ask her to be there.

25 | MS. FLEISHMAN: Yes, you did, actually. I'm sorry

1 | you don't recall, but, yes, you did.

2 | THE COURT: Okay. Minor point.

3 | MR. CAMPBELL: That's neither here nor there. It
4 | is true, the parties did sit down, we met and conferred in
5 | person to talk about the request for productions that had
6 | been served early on in the case. Some of those requests
7 | were, in fact, tabled. I don't recall that any of those were
8 | specific to metallosis. They may have been.

9 | But that would just further appoint that plaintiffs
10 | knew about this as of the time discovery started in 2011.

11 | THE COURT: I agree, it goes both ways.

12 | MR. CAMPBELL: They had the opportunity to do this.
13 | We all agreed that discovery would close in May of 2014 and
14 | that experts would be disclosed in September 2015. They
15 | disclosed an expert to cover all the plaintiffs because they
16 | knew this was an issue if they thought they needed more
17 | discovery and needed more experts, this should have been a
18 | discussion we were having then. Plaintiffs want a do-over,
19 | and at some point, this needs to stop. We need to close
20 | discovery and wrap these cases up.

21 | THE COURT: So what I want to hear on this is what
22 | was the agreement, whether or not metallosis was not going to
23 | be pursued at that point or whether or not it was something
24 | left for -- I don't know, maybe individual discovery or what.

25 | But how much time do you need?

1 MALE SPEAKER: A couple of weeks, Your Honor.

2 THE COURT: Okay. All right. 14 days each side?
3 Is that enough time?

4 MS. COLE: For this information?

5 THE COURT: Yes.

6 MS. COLE: Yes, Judge.

7 THE COURT: 14 days joint letter, joint letter
8 supplement on the metallosis issue. Okay.

9 Then we move on to the revision rate discussion.

10 MS. COLE: Judge, just to short-circuit this,
11 basically in April of 2010, April 10th of -- I'm sorry,
12 April 10th of 2014, defendants had inadvertently produced
13 some documents in their discovery. They did a -- they did a
14 clawback letter. We agreed to give them all but one letter
15 back. And at April 10, 2014, we were addressing the one
16 letter and -- with Judge Arleo.

17 The reason we didn't want to give the letter back
18 was because the letter -- or I'm sorry -- the document,
19 whatever it was, I forget now the details of the document,
20 actually laid out the revision rate as Zimmer saw it that
21 day. And our point to the judge was, we're fine giving this
22 document back. We agree it's work product, we want to give
23 it back, but we have a pending discovery request,
24 Interrogatory Number 2, which asks specifically for them to
25 give us the number of revision surgeries as of

1 September 19th, 2013, relating to the Durom cup. And their
2 answer provided no details, just said, Go look at all of our
3 documents. And then here's this one document that we found
4 that had this information in it, and they were clawing it
5 back.

6 So Judge Arleo --

7 THE COURT: But that document, you agree was work
8 product.

9 MS. COLE: We do. And Judge Arleo said fine, give
10 the document back, but I'm ordering Zimmer to provide its
11 revision rate. And Zimmer made all the same arguments then
12 that they've made today, that, oh, my gosh, we'd have to hire
13 an epidemiologist and why should we have to do this work and
14 this is so hard. And Judge Arleo said, no, never mind, you
15 have to give it.

16 And so the order was that as of December 2013, what
17 is your revision rate.

18 Since that order, I took the 30(b)(6) witness on
19 the topic of the number of U.S. revision surgeries. I took
20 Carlo Ventre in London, and the man knew nothing. He had
21 been given five documents to review, and he had a,
22 quote/unquote, high-level understanding of those documents.

23 But basically, they have a -- a complaint tracking
24 system. And their complaint tracking system allows -- it
25 encompasses everything, you know. Did some doctor call you

1 up and say the instrument broke? Did some doctor say the cup
2 was loose? Did some doctor say they were having a metallosis
3 issue?

4 And so they had produced through early 2014 -- I
5 forget, I think, May, June time frame -- the complaint ratio
6 for 2014. And one of the 30(b)(6) topic that Mr. Ventre was
7 there to testify on was what is the revision rate or the --
8 what -- how many revision surgeries have there been of the
9 U.S. Durom cup? He couldn't answer the question.

10 I asked him, I said, so I don't understand, am I --
11 is nobody at Zimmer tracking revision ratio -- the number of
12 revision surgeries?

13 And he said he didn't know. And he said, I know we
14 track these complaint systems.

15 And then he went on to testify, I said, question:
16 In order to determine how many revision surgeries there were,
17 you would have to go into the individual descriptions of the
18 complaints that are attached to the postmarket surveillance
19 report.

20 And he said yes.

21 And I went on and asked him: Did you ask if
22 anybody within the company was tracking actual revision
23 surgeries?

24 Answer: No, I didn't ask.

25 "So if I asked you how many revision surgeries

1 | there have been for loosening of the U.S. acetabular cup, you
2 | would not be able to provide me that number.

3 | "That is correct, yes.

4 | "Is there anybody within the company that you
5 | were -- like before I go do all this work of looking at all
6 | of these individual descriptions of these complaints and
7 | pulling out which ones are the ratios, is there anybody
8 | within the company that you would ask, hey, are we already
9 | tracking this?"

10 | His answer: I would ask the postmarket
11 | surveillance group, and based on the InnoVia system, the name
12 | of their system, we can correlate and take out the right
13 | information and then select based on the Excel table that you
14 | have seen, looking on search criteria, we could put together
15 | a list of the revision surgeries.

16 | So that's all we're asking, Judge. We already know
17 | how many cups were sold. That was the -- part of the
18 | equation that they provided us in 2014.

19 | So all we're asking for is for them to give us the
20 | number of revision surgeries as it exists today or at some
21 | designated point in the recent past, because this is part of
22 | their ongoing duty to supplement discovery. They don't have
23 | to hire an epidemiologist. They don't have -- this isn't
24 | some crazy thing that Judge Arleo ordered that there's no
25 | discovery on, because we have an interrogatory and a

1 deposition topic that asks specifically for how many revision
2 surgeries have there been.

3 THE COURT: I don't see a docket reference here in
4 the letter to the order from Judge Arleo. Was it reduced to
5 writing?

6 MS. COLE: So I know that in her transcript, which
7 I have and I can bring to you, she ordered that they provide
8 it, and then I have the letter where they provided it.
9 Whether or not we followed the hearing with a -- with an
10 agreed order, we might have. I just don't remember.

11 THE COURT: Okay. I'll take the transcript.

12 MR. CAMPBELL: Yeah, I don't believe, Your Honor,
13 that there was an agreed order, that it was reduced to
14 writing.

15 I do want to point out that Ms. Cole has
16 conveniently left out parts of Mr. Ventre's testimony in
17 which he says that Zimmer does not track revision surgeries.

18 Question: Does Zimmer track revision surgeries
19 relating to the U.S. Durom cup in any documents outside of
20 the PMS system?

21 Answer: No, we are tracking complaints. We are
22 not tracking revisions.

23 The company does not track revision surgeries. It
24 tracks complaints. We have produced to the plaintiffs the
25 complaint data within its postmarket surveillance system that

1 including all complaints, from which they could go through
2 themselves, identify which of those are revisions, which are
3 not revisions, and have that number. But to force Zimmer to
4 do that and to do it on a continuing basis requires us to do
5 plaintiffs' work for them.

6 And, yes, we would argue that it does require an
7 epidemiologist. This is not easy data to analyze. There are
8 a lot of factors that go into revision surgeries.

9 THE COURT: So you're saying that it was only done
10 that one time and that one document that --

11 MR. CAMPBELL: Yes, Judge Arleo in the context of
12 this clawback argument where plaintiffs were holding Zimmer's
13 document hostage in order to get a revision rate that was
14 calculated for purposes of litigation, for purposes of
15 settlement negotiation, she said, all right, I'm going to --
16 you know, to resolve this issue, Zimmer, you give them a
17 revision rate.

18 We had to hire a third-party epidemiologist, who we
19 disclosed an expert report for, provided his opinions about
20 how he had to analyze the data and come up with this revision
21 rate as of December 2013.

22 To order Zimmer to have a continuing obligation to
23 supplement discovery that's never been requested and that
24 Zimmer does not independently track, we think goes beyond
25 what Zimmer has an obligation to supplement.

1 The other point I would make, Your Honor, is the
2 relevance of this information. The cup went off the market
3 in December 2010. We're sitting here in March of 2015. The
4 revision rate only has one way that it can go. It can go up.
5 And everybody agrees there are lots of reasons for revision
6 surgeries unrelated to a defect in the product.

7 The plaintiffs' only intent in getting this
8 revision information is to use it to unfairly prejudice
9 Zimmer five years after the fact after the cup's been off the
10 market, and it show some artificially inflated revision rate
11 to try and suggest the product is defective as a matter of
12 course.

13 So not only do we think Zimmer doesn't have an
14 obligation to do this, we think the information has very
15 limited relevance, will unfairly prejudice Zimmer, and the
16 Court shouldn't order Zimmer to continue to update this
17 information that it doesn't track and the plaintiffs haven't
18 asked for it.

19 THE COURT: Okay.

20 MS. COLE: Judge --

21 THE COURT: Do you have the transcript?

22 MS. COLE: May I?

23 MR. TANNER: My only comment is that it's got
24 plaintiff's counsel's highlight- --

25 MS. COLE: And if you want to mark it --

1 THE COURT: Is it on the docket already somewhere?

2 MR. TANNER: Yeah.

3 MS. COLE: If you didn't want to highlight --

4 MR. TANNER: Yeah.

5 THE COURT: Just give me the Docket Entry. I mean,
6 if it's already posted to the docket.

7 MS. COLE: No, no, the transcript's not posted --

8 MR. TANNER: I mean, maybe we can give you the page
9 number of the transcript and give them a clean copy.

10 MR. CAMPBELL: Yeah, I only have the portion that's
11 relevant to this discussion.

12 MS. COLE: And that's all I was trying to give --

13 MR. TANNER: What? 32.

14 MS. COLE: 32.

15 MR. TANNER: Is that right, 32, 33, 34, 35?

16 MS. COLE: Mm-hmm.

17 MR. TANNER: Yeah, that's fine. If that's all
18 right.

19 MS. COLE: -- and provide him with you-all's
20 response letter where you answered --

21 MR. CAMPBELL: Yeah, we have that.

22 MR. TANNER: Do you have a clean copy of that?

23 (Pause in proceedings)

24 MS. COLE: And, Judge, I would just like to respond
25 that, you know, we have an outstanding discovery request that

1 asks for the number of revision surgeries. They have a
2 continuing obligation to -- to supplement discovery. We took
3 a 30(b)(6) witness where this specific topic that I was in
4 London to question this witness about was the number of
5 revision surgeries for the U.S. Durom cup. And even when
6 they provided me the documents from their complaint system,
7 that only went through May or June of 2014. So we -- as of
8 today, I do not have the information I would need to
9 calculate it myself.

10 MR. CAMPBELL: And we're happy to supplement that,
11 Your Honor. We're happy to supplement the raw data.

12 MS. COLE: But I would also point out that it
13 doesn't matter if I hire my own epidemiologist and do it.
14 Zimmer will hire their own epidemiologist, and they will
15 question what I've done. They're going to spend the money
16 regardless, because they fight everything we do.

17 It makes more sense for them to use their system,
18 as Mr. Ventre described it here, you know, it's like an Excel
19 spreadsheet, we can just go in there and highlight what we
20 want and come up with the number, and then give us that
21 number, and that way it's their blessed number. I mean
22 that -- it was amazingly useful in the trial that we didn't
23 have to both bring epidemiologists and put boring
24 number-crunchers on for the jury to fight about what the data
25 was. We had -- you know, this is the Zimmer admitted rate.

1 If you want to give me leave to serve, you know, a
2 request for admission, I'll serve a request for admission,
3 but I believe that, you know, we're now a year later from
4 when this was ordered, and we need to update that rate. The
5 number does go up because more and more people have to have
6 their cups revised.

7 THE COURT: Well, of course, keeping in mind that
8 I've not yet read Judge Arleo's prior discussion on this, if
9 the plain- -- in the defendants do not regularly calculate
10 this number and what you're asking is -- taking their
11 argument -- asking the Court to basically ask them to go
12 above and beyond their discovery allegations in producing the
13 raw data, but to then crunch the numbers and that has a cost
14 factor for them, and as you just pointed out from your
15 example, whereas if you hired your own expert to go crunch
16 the data, you would have to incur an expense, and then of
17 course, they would go and get their own epidemiologist
18 anyway, well, rather than go through all that and shifting
19 all of the costs to defendants, why wouldn't the plaintiffs
20 bear some of the costs to crunch those numbers?

21 MS. COLE: We're fine with that.

22 MR. CAMPBELL: Your Honor, I -- again, we shouldn't
23 be required to do plaintiffs' work for them.

24 And at this point, at this point, where discovery
25 is closed, expert discovery is closed and to calculate this,

1 | it requires an expert to offer expert opinion that they chose
2 | not to do, we shouldn't have to do that after the fact,
3 | because plaintiffs chose, while the discovery was open, not
4 | to hire an epidemiologist, not review the complaint data that
5 | was produced, not offer an expert opinion on what the
6 | revision rate is or was, we shouldn't be obligated to do that
7 | work for plaintiffs and essentially disclose an expert for
8 | the plaintiffs with an expert opinion after discovery is
9 | closed. It simply -- it just doesn't make sense.

10 | Again, we are doing plaintiffs' work for them --

11 | THE COURT: Humor me for a moment and let's just --
12 | let's suppose that I am considering making you do that.

13 | MR. CAMPBELL: Sure.

14 | THE COURT: Plaintiffs just offered to pay for a
15 | portion of it.

16 | MR. CAMPBELL: Obviously, if Your Honor orders
17 | Zimmer to calculate this updated revision rate, then we
18 | absolutely think the plaintiffs should bear the full cost of
19 | calculating that.

20 | Again, it's not information that we are going to
21 | use in our affirmative case; we think it's irrelevant.

22 | THE COURT: Understood. Okay.

23 | MS. COLE: I would just point out there -- the
24 | choice I made was dictated by what the information I had.
25 | Judge Arleo had ordered them to produce a number as of

1 | December 2013. I had four or five months of additional
2 | information available to me from what they've produced. It
3 | made no sense to do any additional work with those numbers,
4 | where now, a year down the road, and the number has
5 | definitely changed.

6 | MR. CAMPBELL: Your Honor, they wouldn't have done
7 | the work if Judge Arleo had not ordered them -- or ordered
8 | Zimmer to produce that information.

9 | MS. COLE: I disagree. We asked for the numbers
10 | because we had to do the work. And so you came --

11 | MR. TANNER: Hire an epidemiologist.

12 | MS. COLE: We would have hired an epidemiologist as
13 | soon as you-all gave us numbers. You gave us numbers until
14 | you were ordered to do so.

15 | THE COURT: Okay. I will review Judge Arleo's
16 | transcript, I will get back to you on that.

17 | All right. So we've, I think, run the gamut of the
18 | agenda letter.

19 | Was there anything else for today's discussion?

20 | MR. CAMPBELL: Very quick points, Your Honor.

21 | MR. TANNER: We had submitted a letter, a joint
22 | letter, despite maybe some of the bantering of the last 10
23 | minutes, we've actually gotten along pretty well, I think, in
24 | agreeing on some deadlines. There were some issues with the
25 | pretrial order sent out by Judge Wigenton and then your

1 order, and we came up with a schedule on how to get this case
2 to trial, including exchanging trial exhibit lists, which
3 we've already done; the final pretrial order, we've got a
4 draft, our draft to them is due today, we'll file the final
5 one on the 31st.

6 THE COURT: Okay.

7 MR. TANNER: But the March letter that I sent which
8 was jointly kind of written, I don't know that you've
9 approved that yet. And if that were to be approved, then we
10 would have all the deadlines set from between now and getting
11 everything ready for trial.

12 Oh, and the docket number is 36 in the Brady case.

13 THE COURT: I don't think I'll have that with me.

14 MR. TANNER: I don't know that I have a clean copy
15 of it --

16 THE COURT: That won't be in this jacket, I don't
17 believe.

18 MR. TANNER: May I approach, Your Honor?

19 THE COURT: Sure.

20 MR. TANNER: Here's a clean copy of it.

21 THE COURT: So that's in one of the individual
22 cases. Right?

23 MR. TANNER: Yes, that's the one that's set for
24 trial May 6th, and it kind just sets out the final pretrial
25 order and when everything would be due.

1 THE COURT: Okay. All right. I will look at this
2 as well as that jacket and put something up on ECF in the
3 next day or two.

4 MS. COLE: Thank you, Judge.

5 THE COURT: All right. Anything else for today?
6 No?

7 MR. TANNER: I don't believe so. Thank you.

8 THE COURT: All righty. Who has the longest ride
9 home?

10 MR. TANNER: Texas or Indiana, I don't know.

11 THE COURT: For the folks on the phone, thank you
12 very much. We're adjourned. All right.

13 (Conclusion of proceedings at 5:30 P.M.)

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Certification

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I further certify that I am in no way related to any of the parties hereto nor am I in any way interested in the outcome hereof.

s/ *Sara L. Kern*

6th of April, 2015

Signature of Approved Transcriber

Date

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