IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

IN RE: ZIMMER NEXGEN KNEE IMPLANT PRODUCTS LIABILITY LITIGATION
) MDL No. 2272
Master Docket No. 11C5468
Chicago, Illinois
May 19, 2016 9:34 a.m.

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE REBECCA R. PALLMEYER
APPEARANCES:
For the Plaintiffs: MR. JAMES R. RONCA
ANAPOL SCHWARTZ
130 N. 18th Street
Suite 1600
Philadelphia, PA 19103
(215) 735-1130

E-mail: Jronca@anapolweiss.com
MR. TIMOTHY J. BECKER
Johnson Becker PLLP
33 South 6th Street
Suite 4530
Minneapolis, MN 55402
(612) 436-1804

E-mail: Tbecker@johnsonbecker.com

Court Reporter:
KATHLEEN M. FENNELL, CSR, RPR, RMR, FCRR Official Court Reporter
United States District Court
219 South Dearborn Street, Suite 2524-A
Chicago, Illinois 60604
Telephone: (312) 435-5569
Kathleen_Fenne11@ilnd.uscourts.gov

APPEARANCES: (Continued)
For Jemma Goldin: MR. JAMES A. MORRIS, JR.
Morris Law Firm
6310 San Vicente Boulevard
Suite 360
Los Angeles, CA 90048
(3230455-4444
E-mail: Jmorris@jamlawyers.com
For Vicki Lewis: MR. PAUL J. PENNOCK
Weitz \& Luxenberg, PC
700 Broadway
New York, NY 10003
(212) 558-5500

E-mail: Ppennock@weitzlux.com
For the Defendants: MS. ANDREA R. PIERSON
Faegre Baker Daniels, LLP
300 N. Meridian Street
Suite 2700
Indianapolis, IN 46204
(317) 237-0300

E-mai1: Andrea.pierson@Faegrebd.com
MS. ABIGAIL M. BUTLER
MR. PETER A. MEYER
MR. J. STEPHEN BENNETT
Faegre Baker Daniels, LLP
111 E. Wayne Street
Suite 800
Fort Wayne, IN 46802
(260) 460-1796

E-mai1: Abigail.butler@Faegrebd.com Peter.meyer@Faegrebd.com Stephen. bennett@Faegrebd.com

MR. JOSEPH M. PRICE
Faegre Baker Daniels, LLP
90 South Seventh Street
2200 Wells Fargo Center
Minneapolis, MN 55402
(612) 766-7000

E-mail: Joseph.price@Faegrebd.com
(Proceedings heard in open court:)
THE CLERK: 11 C 5468, In Re Zimmer/NexGen Knee Implant for status.

THE COURT: Good morning.
ALL COUNSEL: Good morning, your Honor.
THE COURT: We should get appearances. We can begin with the plaintiffs.

MR. BECKER: Good morning, your Honor. Tim Becker on behalf of the co-lead counsel.

MR. RONCA: Good morning, your Honor. Jim Ronca for plaintiffs.

MR. MORRIS: Good morning, your Honor. Jim Morris on behalf of Jemma Goldin.

MR. PENNOCK: Your Honor, Paul Pennock for Vicki Lewis.

THE COURT: Okay.
MS. PIERSON: Good morning, your Honor. Andrea Pierson for Zimmer.

MR. BENNETT: Good morning, your Honor. Steve Bennett for Zimmer.

MR. MEYER: Good morning, your Honor. Peter Meyer for Zimmer.

MR. PRICE: Your Honor, Joe Price for Zimmer.
MS. BUTLER: Good morning, your Honor. Abi Butler for Zimmer.

Case: 1|11-cv-05468 Document \#: 1941 Filed: 07/12/16 Page 4 of 40 PageID \#:48716

THE COURT: A11 right. We're here for status, and I do have the parties' proposed agenda for this morning's conference. Why don't we begin -- I guess what I'd like to do is begin with status reports on the Goldin and Lewis litigation, maybe beginning with Goldin.

MS. PIERSON: Your Honor, if I might start, you may recall, your Honor, that three weeks ago, Mr. Millrood and the lawyers for Ms. Lewis and Ms. Goldin stood before you, and they assured you that these cases would go to trial in the fall. They told you that they had retained and discussed the cases with experts and that they were prepared to proceed.

Your Honor, I'm deeply troubled to report to you that we learned yesterday afternoon that the Lewis case will not proceed to trial and, in fact, is likely to be dismissed, and we learned a few days ago, maybe a week or more ago, that in the Goldin case, the plaintiff will not pursue a high-flex theory either and that the plaintiffs believe it is a Track 2 case, not a Track 1 case.

Judge Pallmeyer, I took Ms. Lewis's deposition just last week on Tuesday, and, frankly, it took me about five questions to confirm that Ms. Lewis had never used high flexion in her daily activities either before or after she received her Zimmer implant. A simple conversation with Ms. Lewis was all it took to confirm that she was not, in fact, a case that fits the theory advanced by Dr. Brown and

Case: 1|11-cv-05468 Document \#: 1941 Filed: 07/12/16 Page 5 of 40 PageID \#:48717

Dr. Feto.
Mr. Pennock called me last evening and reported that he had learned just yesterday that Dr. Feto had spoken with Ms. Lewis and she told him the same thing. Having had a conversation with Ms. Lewis, it was clear that she did not achieve high flexion at any time either and that that could not possibly be the cause of the loosening of her femoral component.

I'm less familiar with the Goldin case. Mr. Bennett has been conferring with Mr. Morris on that matter, but my understanding, your Honor, is that upon conferring with his own experts, Mr. Morris has learned that in the Goldin case, the source of her loosening was her obesity. It was not, in fact, anything to do with the design of the component or having achieved high flexion.

We think it's important that you hear from the lawyers who represent Ms. Goldin and Ms. Lewis, given the conversation that we had with you just a month ago about these cases, but neither case will be tried in the fall or is appropriate for trial, given the confirmation of these facts within the last few days.

The parties have conferred, the leadership of the parties have conferred, your Honor, and we'd ask that after you have that conversation with the lawyers for Ms. Lewis and Ms. Goldin that we have an opportunity to talk with you in

Case: 1|11-cv-05468 Document \#: 1941 Filed: 07/12/16 Page 6 of 40 PageID \#:48718
chambers about what this means for the greater MDL and the impact that it has with respect to the Court's trial schedule.

THE COURT: A11 right. Thank you.
MR. PENNOCK: May I proceed?
THE COURT: Sure.
MR. PENNOCK: Paul Pennock for Vicki Lewis.
Judge, I'm going to have to, if I may, go over some of the facts of the chronology here with respect to this matter.

First I'11 state some quite a good deal of surprise at counsel's tone because it certainly was not in any way the tone with which my information was received by her when I called her last evening within 10 minutes of speaking to my expert after he had examined Ms. Lewis. In any event, it is what it is.

The Lewis case, after it was selected, we, of course, immediately began to work it up, and I've been working extensively on it since early April or, well, mid-March. I know it was selected in early February.

Before yesterday, I had met with Dr. Feto on two occasions in my office to go over the case and also at his -near his office to go over the case and discuss the details of the case and the chronology and the facts as we understood them, as well as the X-rays, including the -- ultimately we had a conversation with him on X-rays that were belatedly
discovered by the implanting doctor.
In my conversations personally with Dr . Feto and discussing what we knew from Ms. Lewis from our conversations with her as well as her fact sheet where issues concerning full flexion are addressed, he had no issues at all, nor did I, that this case was going to be a problem in terms of flexion. In other words, did she achieve this flexion on some regular basis such that the self-loosening potential nature of this device was thus instigated and loosened, and that's what happened.

I met with him last on May 6th in person, and we were both completely comfortable that based on what we knew, I had previously been out and met personally with the client in mid or early April and went over the facts with her in person, and there was no doubt in my mind that the type of activity she had been engaging in as a prep cook with Appleby's both in Virginia and in Columbus, Ohio over a period of about 16 or 18 months, as well as a second job at McDonald's were creating the type of -- the type of stresses on the knee that would have implicated the design defect in this case.

So we had her deposition last week, and as Ms. Pierson notes, she was questioned, of course, on the flexion issues. I did not find the questioning to be so probing as to give me any great concern. There were questions that I think were contradictory to some degree to what she had
told me, but there were questions about whether she did squatting -- I don't have the list here, but I was not -- I did not walk out of the deposition thinking that all was lost based on the questioning.

Certainly like any deposition, particularly of clients, I walked out thinking, okay, we're going to have to be dealing with some cross-examination on -- on the nature of the answers and so forth. It was kind of standard fare for me, and I apologize for being so longwinded, but I just felt the brunt of an unsuspected attack here.

So I had Dr. Feto examine her because we have the expert report deadline coming up. I don't think even Ms. Pierson can question the diligence with which I have been pursuing this case in my office. We have been working very hard and extensively, and I've personally been handling these things.

Dr. Feto examined her on -- today is Thursday -- on Tuesday, and I was in Lafayette, Louisiana in court unti1 about 6:00 p.m. Central Time on Tuesday. I received an e-mail from my paralegal that he had heard from Dr. Feto, and he had -- Dr. Feto needed to speak to me and had concerns as to whether he could support the case.

Subsequently, on Wednesday, I got back -- I missed my plane Tuesday night. I got back on Wednesday about 1:30 or 2:00 in the afternoon. I immediately tried to set up a call

Case: 1|11-cv-05468 Document \#: 1941 Filed: 07/12/16 Page 9 of 40 PageID \#:48721
with Dr . Feto. I was ultimately able to speak to him at about 7:00 last night Eastern Time and had a fairly detailed discussion with him as to why he thought he could not support the case based on the history that he took from the plaintiff.

He specifically advised me upon specific questioning from me that this was -- ultimately, he would not issue a causation report, that he could not do so because he did not have the facts from the plaintiff herself that would support this ongoing flexion during that period of 18 months or two years.

I was, needless to say, surprised, very disappointed, and not a little bit aggravated, and -- but I also asked him if he thought this was simply his view of the world and maybe I could -- there would be another expert that might look at things differently, and he did not think so.

I do have, contrary to perhaps counsel's view of Dr. Feto, I have great respect for him, and in my dealings with him over the last couple of months, I've felt that he's a straight shooter, and I felt at that time, after consulting with my partners in my office, that in looking -- I already knew we didn't have a failure-to-warn case here in my view -I'm sorry. We didn't have a failure-to-warn case on obesity, and so I called Andrea because I did not want to spring on them this morning the conclusions that we reached last night. I wanted her to have the opportunity to speak with her
colleagues and her client before coming in here today.
So I have not met or consulted or spoken to and advised Ms. Lewis yet. That's a conversation that's going to be very difficult, but without an expert, I don't know where to go here. And, you know, I think the judge -- I hope the judge is aware, I was not only fully willing and ready and able to try this case, I was very much looking forward to trying this case, and --

THE COURT: You know, I know that Ms. Pierson would like to respond, and I'm sure that you have more to say, and I'm sure I'11 hear more from the PSC.

Let me just point out that this difficult conversation you're about to have with your client is one that I naively believed would have happened so long ago, and I fear that your case, that Ms. Lewis's case will be like so many I have, dozens, maybe more than a hundred, in which counsel come and say we can't go forward with the case, we can't find an expert, we want out, and I don't want to make lawyers go forward with a case that they feel has no merit. I think there are real ethical problems there.

But you know what happens? The client is -- has the rug pulled out from under him or her, whether validly or invalidly, they feel terrible, terrible anger at the system, and they aim that anger in part at me for allowing the lawyers to leave them, abandon them, in situations where they had been
led to believe or had come to believe that they had a basis for going forward.

I have an MDL, and I'm going to end up in this case in this courtroom with dozens, maybe more than a hundred, unrepresented individuals. This is -- this is completely contrary to what I understood the process to be. I feel a real sense of responsibility to these people. I'm going to do what I can to have this -- to resolve their cases in a fair way. But I fear that your situation will be like so many others, where Ms. Lewis is going to be telling me don't let him withdraw, don't let him dismiss my case, I want to go forward. I understood I had a case here.

And then the argument has to come from me in which I'm trying to explain, I, who know very little about this, what the loosening theory was all about, why perhaps their case doesn't fit that criteria, why, without an expert you ordinarily cannot proceed in a products case, et cetera. It's just -- you know, Ms. Pierson has her own objections. Those go in an entirely different direction, and they have validity, too.

I've got to tell you from the Court's perspective, this is extremely unsettling. It's now been not months, years, years in which I would have expected that the clients were advised all along, here's the situation, here's what we've got to know about, here's what we're going to have to
prove, here's what we're going to need in order to go forward, you understand all that, and I discover that so often they don't.

Now, it sounds like there may be a bit of a dispute about what actually happened at the deposition. You're saying you thought the deposition was, you know, a little on -- not quite as wonderful as you would have hoped, but Ms. Pierson said within five questions, she was able to determine your client never got high flexion, and you're saying you only learned from Dr. Feto in an examination that occurred very recently.

For a case that's supposed to go to trial this fall, why wouldn't the expert have seen her months ago? I -- among the things we need to address, I don't mean you personally, some of the things all of us need to address is what should we be doing about all of these unrepresented individuals? Is this problem going to be simply let the lamyers walk out and I've got to handle on my own? That's not -- that's not what I signed up for, and I don't think it's appropriate.

And I think it's wrong. I think it's wrong. Whether or not in any individual case it's the appropriate thing, we are now creating an image where what happens in these MDLs is that people just kind of hope for the best and pull away when things go wrong. That's not the way litigation should be handled. That's not the way -- that's not a way of showing
responsibility to the system or to the clients.
I'm sorry to vent. I'm very disappointed to hear that the Lewis case is not going forward. I don't know what's going to happen on Goldin. I had this time set aside. I want bellwether trials. I want them very much. I want to resolve this.

These -- some of these plaintiffs have been waiting for years. They've been sitting there ruminating about how bad their knees feel and they wanted this resolved and we've been telling them we've got a system in place, we'11 get this going, we're thinking of you, only to discover, no, we're really not making progress because so many of these cases go away or don't go away but the lawyers go away.

MR. PENNOCK: Judge, if I may just reply briefly.
THE COURT: Sure.
MR. PENNOCK: I don't want the Court to be left with the impression that my office and myself have not been in touch with Ms. Lewis. We -- the facts as she related them to us were fully supportive of a history that could have resulted in the loosening of this device from the defect.

That is what we were told. That is what we understood. That is what we operated on. That is why we have been spending all the time, money and energy over the last two months to get this case ready since it was selected, and I was stunned that -- that this history taken from Dr. Feto resulted
in this.
I'm not going to -- I don't believe that Ms. Lewis is going to end up being a pro se client. I intend to discuss with her the fact that her case cannot be supported.

I believed -- first, I believed yesterday the case was meritorious. I believed it since I got in. I actually still believe it, Judge. I actually still believe that there has been some massive disconnect between Ms. Lewis and Dr. Feto. I saw the disconnect on her deposition. You can watch the video, and both Andrea Pierson and I agreed, I think there's a big communication disconnect.

But what can I do at that point? Tel1 my expert to go re-question the person to get the words that he needs to hear? I couldn't do that.

THE COURT: Are you saying that Dr. Feto's analysis of your client is different from that of her treating physicians?

MR. PENNOCK: No. Her treating physicians have not been deposed yet. I don't know what --

THE COURT: Do the records show that, according to the treating physicians, she had high flexion and she now just doesn't remember and Dr . Feto thinks she never did?

MR. PENNOCK: The records do not show or reflect that she had high flexion outside of the exam room, but in the exam room, they showed that she had high flexion. But that's when
they're taking the leg and actually assisting it through the angles to see how far, with some soft assistance, if you will, can they get the leg to flex.

That was reflected in the records, and we had that, and that was one of the reasons we were comfortable with the case and thought it was an appropriate case, but our conversations and understandings from the client, as well as the fact sheet and so forth, we -- and the history, her job history, it all was adding up that this was a case that was meritorious, and let's go try this case.

THE COURT: In that case, maybe Dr. Feto is wrong.
MR. PENNOCK: Maybe Dr. Feto is wrong. I did not meet with him. I felt it incumbent. I couldn't come here today and sit here, having had that conversation with Dr. Feto last night, without having told my adversaries, lead counsel, and, of course, the Court. If I was going to be telling the Court, I had to tell them.

So, you know, this occurred all between the hours of 7:00 and 8:00 p.m. last night, and Dr. Feto, maybe his history was -- he's a very thorough guy. I don't know. I haven't met with him, but it certainly has occurred to me that, you know, somehow or another, she was disconnecting on the questioning that was happening with Dr. Feto.

Ms. Pierson could not deny that the disconnect during her deposition with her questions was all day long. And so
that's occurred to me, but I didn't know what else to do at this juncture. If I start trying to retread things, I don't think that that's -- that that's appropriate.

THE COURT: You've read my ruling on Dr. Feto's Daubert motion.

MR. PENNOCK: I saw that a couple months ago, Judge.
THE COURT: A11 right. We11, tell me this: If you were sitting in this chair, what would you do to get cases for bellwether treatment? What would you do? Besides what I have done, what the lawyers have recommended very effectively that I do? What would be the appropriate way to find a case that I can be confident is going to be tried absent somebody dies?

MR. PENNOCK: I think that's a very good question for this particular litigation. I've been involved in many bellwether programs before. I have never had to stand before a Court and say this. I've never even had to come close to this situation in 23 years of doing this type of work.

THE COURT: That must mean --
MR. PENNOCK: In terms -- I'm sorry, your Honor?
THE COURT: That must mean that the way this case has been handled is somehow aberrant, so I would like to know what I should be doing to ensure that I don't have this problem anymore because I thought I had taken the appropriate steps months ago, years ago.

MR. PENNOCK: Your Honor, I'm not saying that you did
not, and I don't think that there was anything wrong with the handling of this case that resulted in the very unfortunate situation I'm in right now, but I'11 tell you that what I am doing is that I am going to -- I already gave instructions last night, I'm having every one of my clients interviewed fully and completely -- and they have been already, Judge. I don't want the Court to think that this hasn't happened, but obviously there's some disconnects that are going on.

We are going to be evaluating every case to determine whether or not we can and therefore need to have -- engage an expert now on the individual case. It's a very costly endeavor, not typically done at this point until a case moves to trial. In mass torts it's not -- it would almost sometimes be impossible to have every case individually evaluated by an expert unless and until it's moving into a discovery pool or a trial pool.

THE COURT: This is not a mass tort.
MR. PENNOCK: We11, that is true. It's not a huge one. That's true.

MS. PIERSON: May I respond, your Honor?
THE COURT: Sure.
MR. PENNOCK: So in terms of --
THE COURT: These are individual cases consolidated for pretrial discovery before me. They're individual cases with individual clients who individually have a right to
justice. That's what this is.
MR. PENNOCK: I agree with that, Judge, completely and wholeheartedly. What I meant was that until this point, I did not see any need to have these, each and every one of these client's cases evaluated by an expert witness at this point. I don't -- that is simply my point.

At this -- now, do I think that that is true that I'm going to do that? I have to do that now. I have to because of the circumstances the way they developed in this case that were so surprising to me -- and I've done quite a bit of this work -- that I have to move to a different approach to make sure that the next case up, which is Joas that I have, the next case up is Joas.

I've been dealing with summaries and had phone calls on Joas last night and e-mails this morning because obviously -- I'm not as frustrated as the Court, and I don't have any basis to be as frustrated as the Court, but I'm certainly frustrated and I'm certainly fearful that I do not -- I have to take steps to guarantee that I am not in this situation ever again in this litigation or any other litigation.

I already sent out a memo to my entire department, all of my attorneys, laying out how -- some of these concerns and the developments here to ensure that our procedures do not ever allow this to happen again. I don't think there was a
failing here. I will be able to document for the Court the communications with this client, including my own personal in-her-home communications in early April, but clearly something needs to change because here we are in this very bad situation.

MR. MORRIS: Your Honor, may I be heard before we get the ship too far out into the ocean?

THE COURT: Sure.
MS. PIERSON: I'd like to respond on Lewis, and then Mr. Morris can address on Goldin.

THE COURT: Goldin? A11 right. I'11 hear a response on Lewis.

MS. PIERSON: Just a couple of points, your Honor.
We very much appreciate the professional courtesy that Mr. Pennock extended by contacting us as soon as he had spoken to Dr. Feto, so I do want to be clear that he is absolutely correct when he says once he had that conversation with his expert, he called me immediately thereafter, and -and we appreciate that.

As it relates to the Lewis case, what's lacking though, your Honor, is any suggestion that someone spoke to Ms. Lewis early on and she said that she did things that were high flex and somehow I missed that in the deposition and Dr. Feto missed asking that right question, whatever it was, in his examination.

I mean, the fact of the matter is, I spoke with her for seven-and-a-half hours. I don't know how long Dr. Feto spent with Ms. Lewis. It's very clear to me that she did not use high flex in her daily activities at any point in time before or after she got her device.

But you asked the question about, you know, what to do in the position that you're in. And, your Honor, we're now up to 17 cases that have been picked by Zimmer, that have been picked by you, that have been approved by the leadership of the PSC, and we're in the exact same position after multiple orders from you on this point.

We believe it is time for a true Lone Pine order. There are 350 cases that are left before your Honor, or approximately, where the plaintiffs' lawyers say those cases include high flex, they include loosening, and they'11 be pursued on a theory of high flex consistent with what you heard in Batty.

It's time for a true Lone Pine order where, in fact, an expert would need to look at those cases and confirm that they will support that theory. Then your Honor and the parties can choose from that pool of cases where there is truly a factual basis to proceed, prima facie evidence, to proceed. From that pool, we should choose the cases to be tried.

THE COURT: A11 right. Mr. Becker? I guess you're
up next.
MR. BECKER: Sorry.
Well, it's been an interesting morning. We learned about this late last night, early this morning.

So let me address two issues. First was your concern, which I share as well. What do you do with pro se plaintiffs?

So I can share with you, and I believe this to be if not correct a hundred percent, pretty darn close, that in terms of the leadership and the co-leads in this case that less than 10, 12 percent of their cases that ultimately made it on to your pro se list were -- came via motions to withdraw, that we were able to get most of our clients to dismiss their claims, and part of that may be because we're on the front lines and we understand the cases the best.

The problem, however, with the mass tort or MDL system is that it has many, many virtues which both sides embrace, and it has some underlying problems that have been created lately that you are now experiencing. So what Mr. Bennett and I endeavored to do to reflect the concern that you articulated, which frankly I share as wel1, which is why only a handful of my clients were truly presented as motions to withdraw, was to create the two-track system such that those clients who had honest-to-goodness disputes with their lawyers over the viability of the claim had an incredibly long
runway to be able to go and find alternative counsel, to vet the case amongst other skilled lawyers, and if unable to retain new counsel and satisfy the expert report requirement articulated in CMO 9 and 10 by September, those cases would then be dismissed.

Whether it be called failure to prosecute or just the inability to get an expert, that whole process was designed for two reasons: One, mindful of the fact that some of those clients may very well have a theory that does not fit within the general causation design defect theory that PSC and the co-leads developed, but -- but is unique to the idiosyncrasies of their cases. And so we allowed them eight months to find that.

I think in terms of fairness to those clients, that that was enough time for them. Now, I share your frustration with the system, so to speak, that too many lawyers do too little work. I don't think that's true of the vast majority of people who practice in pharmaceutical and device litigation. I think your experience is it's certainly not true of the PSC and the leadership that's appeared before you, by and large.

So the short answer to your question, Judge, is that come September, those folks who are pro se will have had eight months to find additional counsel or a new theory, and my suspicion is is if one of them came to you in late August
and said I finally found one and my lawyer tells me I have this theory and I believe him, that you would give them even more time.

But for the vast majority of them, at least in my experience, it is truly what you reflect, that there's a belief that they've been harmed. They feel upset, and they don't want to give up.

For that large group of clients who we who have gone to law school and practiced for decades know is not true legally, they've had due process vis-a-vis CMO 9 and 10. So I don't think you'11 be belabored with hundreds of pro se clients.

With respect to your other observations about MDL process, I don't know that you get much of an argument from either Mr. Ronca, Mr. Millrood or even Mr. Pennock regarding that.

With respect to the second issue of Lone Pine, you know, I think that some of these conversations, as counse1 alluded to earlier, are easier off the record, but I think just as a threshold matter, it sort of depends upon what the definition of "is" is.

We have now 30 to 40 percent of the MDL involving a recalled product. We have yet to really test that case. We haven't had a whole lot of clients drop out of that. Of the 17 people that Ms. Pierson's referring to, they're not

5950 cases, so expanding a Lone Pine order to that recalled product doesn't seem appropriate.

We have other processes that may be used prior to requiring experts in every event; but in any event, standing before you today, less than a couple hours after Mr. Ronca and I learned of this and asking for a Lone Pine order without having a full vetting of what that Lone Pine order would include seems a little premature, which is why we asked to talk to you off the record so that we can share some of our thoughts about how we might unravel this knot.

But that being said, as somebody who has litigated this case for the last four or five years, I share the Court's frustration. I believe Mr. Pennock did everything he could to put this case forward for trial and did not want to be in front of you today telling you what he's telling you.

So, you know, our view is we think we have a process to resolve the pro se litigant issue, which is fair and which the Court adopted, and, you know, we think we have some ideas that we'd like to share with you about how we move forward from here.

THE COURT: A11 right. And just I do want to hear from counsel for -- it's Mr. Morris.

MR. MORRIS: Your Honor, for 30 years, I've practiced in the field of mass torts. I started out with asbestos cases in Cimino vs. Raymark Industries, where we represented 2600
plaintiffs. We got them to trial within nine months. We had plaintiffs' depositions, 1600, that took 45 minutes apiece, okay? We had a little egg timer that we would put on the table, and the defense attorney would be given 45 minutes, and that's it. And that's all they needed. At the end of that process, they were turning it down the last 10 or 15 minutes.

So the perception of what litigation entails and the reality are often very different, and I give you that background because I went from that into the Texas tobacco case representing the State of Texas, then into Fen-Phen, then into Prempro, along the way, Propulsid, Rezulin, numerous other drug cases, and I come here today with a wealth of experience. And I give you that background so that you understand that my perspective may be a little bit different than the other folks here in the courtroom.

I believe that plaintiffs' lamyers that represent victims are ultimately result oriented. They want a result. They want to know if their case is going to move forward, if they're going to get a trial, if their case is going to settle. And at the end of the day, if you have a litigation that's gone on for three or four years and there have been no settlements, there have been no verdicts or few verdicts and the verdicts have not been positive for the plaintiff, plaintiffs' lawyers go on to something else. That's a reality.

They have to do it from a financial standpoint, and even though it seems unfair to the plaintiffs that are being represented, and many times it is unfair, oftentimes in order to survive, the plaintiffs' lawyers move on to something else.

And in this particular MDL, I come here with one month of knowledge. I don't represent any bulk of clients. I have one client that they've asked me to represent,

Ms. Goldin. As to those hundred pro se plaintiffs out there, I'd love phone numbers and mailing addresses so that I could offer my services because the only way that I stay in this long term is if I have a clientele sufficient enough to warrant my time and expense, and that's true probably of all the plaintiffs' lawyers that are in the litigation.

The defense position obviously is very different. They're not dealing with the same issues. They're not dealing with the issues that the Court has to face as to those pro se litigants. Defense counsel can just stay mum on all that, and it doesn't matter to all of them.

We're where the problem is, and I bring you good news. Despite defense counsel's representation, the Goldin case will go forward.

THE COURT: Good.
MR. MORRIS: Now, with reference to the e-mail that I sent, when I was last in this court three weeks ago, four weeks ago, whenever it was, your Honor was taking up a motion
for sanctions on behalf of an attorney who apparently either bailed on the case or he hadn't met a deadline, something like that.

And in my initial conversations, the threat of sanctions kept coming up again and again in conversations with me, and I don't like to practice law that way. I -- you know, I practice law right now in the State of California. I have previously practiced in Texas, Pennsylvania, New York, now California, I'm licensed in all those states, and to me the threat of sanctions hanging over an attorney's head definitely impacts the strategy with which the attorney employs.

And so I became concerned because I have a unique case. Jemma Goldin at the time of her surgery was 5'1" and weighed 296 pounds. She has a BMI in excess of 50 . As the Court is well aware, Body Mass Index is something that has been considered by experts in the industry that have written epidemiological reports and studies. It's certainly something that they take into consideration, and, in fact, there are particular studies that Zimmer did where certain people were not included in the study because of their excessive BMI.

We believe that there is a valid failure to warn claim in this particular litigation, and that is exactly what I intend to pursue in the Goldin case.

I wrote an e-mail because it seemed to me, although I don't think it's clear in CMO 8, 9 and 10, it seemed to me
that there may be some angling towards Track 1 being only design defect cases. We11, I will tell the Court candidly that I don't believe the Goldin case, when it reaches the jury, will be a design defect case. I do think that it will be a failure to warn case, which at least, given my last reading of state product liability law which the Court will accept under Erie, that there is absolutely a valid claim for failure to warn, and I intend to produce an expert report by June 1 that confirms that and that lays out our theory.

And I look forward to seeing the Court in trial in October. And I want to advance the ball, and I'm not walking away from it, and I'd like to look at those hundred pro se plaintiffs and see how many of them have a BMI in excess of 40, and if they do -- I can tell you what happens.

What happens is there are lamyers in the hinterlands, all over the country, and I'm not going to disparage them, they're probably fine lawyers, but they probably don't practice in product liability law on a routine basis and certainly not probably in pharmaceutical products liability law on a routine basis.

I can tell you I've tried many of these cases to verdict. I've won some, I've lost some. What I can tell you is that there's a pretty small collection of lawyers that actually understand the succinct issues involving the directions for use, the warnings, the learned intermediary,
those things that your Honor now understands the relevance of and how important they are, and some of those lawyers out there may have released clients and dismissed clients who otherwise might have a valid claim, and for those clients, you know, where do they go?

I can tell you it's almost impossible for them to find another attorney. In their local -- let's say they're from Knoxville, Tennessee. In Knoxville, Tennessee, there may be one lawyer that's ever even been in an MDL much less tried a pharmaceutical case.

When that client goes and tries to find another lawyer and they go to Joe Stevens or Betty Smith who are good lawyers that have handled medical malpractice cases, auto accidents, they've handled slip-and-falls, when they look at the case, they're going to say, it's a pharmaceutical company. They' 11 make me spend $\$ 300,000$ just to get that case to trial. And that's what they'11 make us spend, I promise you.

That practitioner can't take that case. There's no way they can take that case, and that's what's happened to those hundred people. Those hundred people that are out there, they can't find a lawyer. The only way that their claim ever gets to resolution is through the MDL process.

That's the beauty of this process. It gives a voice and an opportunity to plaintiffs that otherwise would never see the light of day in court because it's too expensive to
take them on.
THE COURT: So the on7y -- so what you're suggesting is that I can resolve my problem by telling all these pro se individuals that you're prepared to take their case.

MR. MORRIS: We11, you know, I certainly would be prepared to evaluate their case, and whether or not I take their case is still going to be based on the facts. The devil's always in the details. I mean, no case is easy. No case comes in to you perfect and pristine like they want you to believe that they do, and you have to look at it.

You know, some cases what if they had it in for 12 years and then the revision occurred? Is that a case? They're going to say, hey, it's only supposed to last that long, okay, but it may be a plaintiff that's 40 or 45 BMI . So I might say, wel1, you still failed to warn. And they may say there's no injury. See, that's one case that could be out there in that 100.

THE COURT: And there are going to be -- I'11 tel1 you about another scenario you're going to see: People who will come in and say that they got the implant and within a month, it wasn't working properly. So that's not a loosening case. That's a case -- that's just not a loosening case.

MR. MORRIS: Right.
THE COURT: So some lawyer then says, Judge, this isn't a loosening case. I don't have an expert that's going
to support the theory that we wanted to pursue here. I want out. And the plaintiff who probably could have told the lawyer, hey, my knee has been hurting from Day 1 or from Day 30, apparently that communication never happened.

I -- if there's some way ethically that I can simply post your name and number or that of, you know, 10 lawyers who are willing to look at those cases, I would be more than delighted to do it because there are a lot of people that are looking around for lawyers now and are writing me letters like this.

Here's one: "Obtaining another attorney is futile. I have been rejected by three attorneys to date. I've been told that once an attorney abandons a case, no other attorney will touch it out of professionalism to the establishment. Therefore, I ask that you reconsider your order and compe1 my attorney to keep my case."

MR. MORRIS: Yeah, that's exactly what I told your Honor. And, you know, that's the problem you're going to run into repeatedly, and I would think that that's more the norm than the exception.

But, you know, I don't know the way, and I will talk to my brethren at counsel table because quite honestly for me, you know, I'm like any other lawyer out there. Handling one case in an MDL is not cost effective and it's not time effective, but I'm here and I've studied this case for the
last month and I've come to believe that there are acceptable liability facts, and I think if I tried ten of them, I'11 probably win five. I won't win a hundred percent, but I'11 win half the time.

And, you know, what would help your Honor the most is for me to get some verdicts. If I can get some verdicts, that could change the whole approach that the parties are taking to the litigation because, No. 1, it would give us a number to evaluate as to what is a reasonable verdict going to look like; and then, secondly, it might convince Zimmer that discussions with the plaintiffs' attorneys as to value has value.

THE COURT: Of course. Of course. That's the whole point of doing these bellwethers.

MR. MORRIS: Correct.
THE COURT: Ms. Pierson, do you want to respond?
MS. PIERSON: I do, your Honor. Thank you.
Your Honor, you may recall that the panel's order creating this MDL was to consolidate cases where there was an allegation of high -- a defect in a High-Flex device, and the device loosened.

The parties negotiated CMO 9 and your Honor signed CMO 9, and it sets out the two tracks as Mr. Becker articulated. The parties' agreement was that we would try two Track 1, High-Flex loosening cases, and then the parties would
sit down and mediate after that. That's the agreement that we reached with plaintiffs' counsel after a very lengthy discussion on a variety of topics, and it's the agreement that your Honor approved.

We are entitled to two High-Flex loosening cases before there's ever a discussion where we sit down and figure out whether any cases can be resolved. And the fact of the matter is that by Mr. Morris's own admission, Goldin is not a Track 1 case. It's not a High-Flex loosening case.

He, like possibly other plaintiffs in Track 2, has come up with another theory that he intends to pursue; but the theory that he advances to you today that for some reason the warnings that accompanied the device were defective and there's a failure to warn claim based on obesity, there's no indication that that theory is common to anybody else in this MDL at al1. Like the other Track 2 cases, those lawyers may choose to pursue and plaintiffs may choose to pursue other theories.

But it is clearly not a Track 1 case. It would be inconsistent with the parties' agreement and inconsistent with the panel's order in establishing this MDL in the first place to try a one-off failure to warn claim about some aspect of the warning that's not common to anybody else in this MDL and has nothing to do with the High-Flex design.

You know, ultimately, there is a question of fairness
to the individual plaintiffs, but there's also a question of fairness as it relates to Zimmer. We've been litigating this, spending millions of dollars over the last four years on the premise that the plaintiffs had prima facie evidence of a defect in a High-Flex device when used in high flexion. And as of to date, despite having you picking and Zimmer picking and the plaintiffs' leadership picking a variety of cases, we've yet to find a case where that -- there is, in fact, prima facie evidence of that.

But we're entitled to two trials on the theory that created this multidistrict litigation in the first place and the theory that's kept us litigating at great expense and investment of time over the last four years.

Mr. Morris made a comment as though there's been some unfairness here to the plaintiffs' lawyers in the course of this litigation, and I want to make one thing perfectly clear, your Honor. The position that we are in today with pro se plaintiffs, just so you know, 79 percent of the potentially pro se plaintiffs before you were represented by members of the plaintiffs' steering committee.

These are not unsophisticated lawyers who have never participated in an MDL or who aren't familiar with the issues in the case; but even if that weren't the case, before a lawyer files the case, he has an obligation to thoroughly question his client, to understand whether an expert can
support the theory that he intends to advance, and it's not a situation where there's been some fundamental unfairness to the plaintiffs' bar in some respect. The PSC members were chosen for the PSC because of their experience and expertise in this. You may recall that you created a very large PSC.

THE COURT: Correct.
MS. PIERSON: We actually objected to --
THE COURT: Correct.
MS. PIERSON: -- having 16 law firms, but it was your Honor's judgment based on the arguments of the leadership on behalf of the plaintiffs that it was necessary to have all of that expertise combined to evaluate the issues in this MDL.

Ultimately, your Honor, we agree that there need to be two High-Flex Track 1 trials as soon as we're able to do that. We think it's unlikely that either Joas, Wilson or a pick by Zimmer could be ready for trial in October or November, but we're committed to working with the leadership of the PSC to figuring out -- committed to working with them to finding a schedule that would allow us to try cases within Track 1 as soon as possible.

That does not solve, though, the larger problem and the reason that I advanced the idea of a Lone Pine order, your Honor. The larger problem is that there has not been screening of the cases at the entry point, despite your order in CMO 8 to identify cases based on loosening, despite the
clear instructions by plaintiffs' leadership who I think have done a good job of instructing their brethren about the issues that are central to this MDL, and despite your Honor's repeated orders.

So I agree with Mr. Becker. I think it's appropriate that we sit down with you in chambers and that we work together to come up with a true Lone Pine order that will, in fact, allow your Honor to identify the group of cases that have prima facie evidence of the theory that created this MDL in the first place.

But, ultimately, that needs to include not just a vetting by the plaintiffs' lawyers because we've tried that. We tried that multiple times. It needs to include expert affidavits that, in fact, there is the prima facie evidence to support a High-Flex theory of defect. We have two cases that your Honor has identified, Joas and Wilson. Zimmer is still entitled to a pick among that group of cases, but we think it's pointless for Zimmer to try and pick another case until your Honor enters a Lone Pine order and there is a true vetting of the Track 1 cases.

So our request would be, your Honor, that we speak with you in chambers and we speak privately with Mr. Becker and Mr. Ronca and that we work out the terms of the order that would allow us to get to a true Zimmer bellwether pick and would create a pool from which your Honor may choose to try
other cases ultimately in Track 1.
At the end of the day, though, we ought to be trying cases that advance the theory that caused the pane 1 to create this MDL in the first place.

MR. PENNOCK: Your Honor, may I say just a brief statement regarding the Goldin case?

THE COURT: Sure.
MR. PENNOCK: I want to inform the Court of something that I don't think anyone other than Jim Morris and I are aware.

Well over a month ago, I committed to Jim to come out, if your Honor gave me the permission, pro hac'd me into the case, to try that case with him, to bring my team out. Jim was going to be the lead lawyer, and I would be -- I'll be taking some witnesses, I assume. It's going to be up to him. And that was not a, you know, a sort of unweighty promise. I have my hotel rooms booked. They're booked, I think it's Monday, September 26th is when I arrive, and I'm not just coming myself. I committed to him that I would be bringing my NexGen team, my very trial team that we were then going to roll, following finishing Jim's case into --

THE COURT: Yours.
MR. PENNOCK: -- the Lewis case. Their hotel rooms are booked, and I could give you the booking number. It's a done deal, and that's what we were doing, and I was going to
be working very closely with Jim to help try that case and with the PSC leadership to help advance the cause here for everyone, everyone's clients.

So I just thought I should put that in because I can -- understandably, I know this Court is aggravated and angry, and I get that, and I want you to know the commitment that we had behind the scenes already made to this litigation and to this MDL for the fall.

THE COURT: We11, thank you, and maybe you should -you and Mr. Morris can talk about whether you -- whether you could be part of a slate of lawyers that I can tell these individuals are available.

MR. PENNOCK: And I think, Judge, a comment on that, the PSC leadership certainly can issue a communication to these people that Mr. Morris is willing to look at and evaluate their cases.

I don't -- I don't know if cases were released because of the -- because of morbid obesity or BMI of 40 or greater, but I would not disagree with Jim that I think that those women or men and women should not have been given this particular device. It should have been contraindicated in that level of obesity.

In any event, Judge, I wanted to let the Court know that this plan to try cases here and be here from September through Thanksgiving was one that was already in place.

Thank you.
THE COURT: Al1 right. Thanks.
MS. PIERSON: Your Honor, just one thing that I might add on Goldin. I think the question is what will it te11 us about the rest of the MDL trying it, and frank1y the answer, your Honor, is nothing. It may tell us something about Ms. Goldin. It may tell us something about her unique circumstances, but that's true of every other case that's in this MDL, and that's not why an MDL was created.

I don't know Mr. Becker and Mr. Ronca's position on this, but I -- my understanding is that they agree that Goldin is, in fact, a Track 2 case and that it won't tell us anything about the remainder of the MDL and, in particular, the Track 1 cases that are before your Honor.

But regardless of that, our agreement, the Court's order was to try two Track 1 High-Flex cases, and then we' 11 sit down and talk, and the real question is how do we get to that, and the reality is as a practical matter, we can't get to that by the October dates that your Honor has set.

We may be able to get to that, I think, by a January date, and we should work together and with your Honor, with your calendar, to get to it as quickly as we possible can. We will do that. But, you know, there are two things happening here that I think we need to address.

One is how do we get to those two cases and get to
them as quickly as we can, and the other is how -- how do we identify truly High-Flex Track 1 cases through a Lone Pine order.

THE COURT: A11 right. Well, let's take a recess. I think it might be a good idea to talk in chambers at least briefly with counsel.

Let me -- let's take a ten-minute recess first, and then I'11 ask you to join me in chambers.

MS. PIERSON: Thank you, your Honor.
(Which were all the proceedings heard.) CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. /s/Kathleen M. Fennel1

July 12, 2016

Kath1een M. Fennel1
Date

