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September 18, 2001

Ms. Margarite McNeill
c/o Suzanne Braun
8707 Flower Street
Phoenix, Arizona 85037

Re: Ms. Margarite McNeill vs. Sulzer Orthopedics, et al

Dear Ms. McNeill:

This letter is to bring you some further information regarding your complaint against Sulzer Orthopedics.

Recently, the Court in Ohio preliminarily approved the proposed settlement as outlined earlier. This preliminary approval does not mean that will be the final form the settlement takes, if it is approved at all, but it is probably fairly close to the final form. Along with that preliminary approval the Court has issued several other important orders. It has ordered that claimants will have until March 2, 2002, to opt-out of the settlement. On March 12, 2002, the Court will commence the hearing to finally determine whether or not the proposed settlement will be given final approval. The Court has issued a very detailed discovery outline to address the issues of fairness that will be pursued by class counsel in the upcoming six months. Furthermore, the Court has enjoined, or stopped, all other actions against Sulzer, which includes those at both the State and Federal Court level until this settlement proposal issue is resolved.

Therefore, it is important to address the issue of whether you would like to "opt out" or "opt in" to the settlement should it be approved. In granting the preliminary approval the Court pointed out some of the risks and benefits in making either decision. Because of its thoroughness, we have taken the liberty of giving you a synopsis of the Court's analysis here for your review to help you in this decision. The ultimate decision as to what to do is yours to make, but we provide you with this information so that it can be as well informed as possible. We will also be following up with you personally to discuss these issues.

The Court pointed out that under the terms of the proposed settlement agreement, any claimant may choose to "opt-out" of class membership and not participate in the agreement. By doing so, that claimant will forgo the benefits guaranteed to claimants that participate in the class settlement. If the claimant timely and properly exercises his opt-out right, he may initiate,

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Defendants may then assert against the opt-out claimant any defenses and rights they would otherwise have, in the absence of the settlement agreement.

The factors the opt-out claimant must weigh is that the claimant can decide to take the risk of foregoing certain benefits guaranteed to him by the settlement agreement (these were specifically outlined in our previous letter), and instead take the risk of suing the defendants, with the hope of obtaining uncertain but possibly greater benefits. In this case, the certain benefits the opt-out claimant would decide to forego include: (1) payment of all medical expenses associated with revision surgery by Sulzer; (2) freedom from any subrogation or lien claims by insurance companies, Medicare or medical providers seeking reimbursement of medical expense payments already made on his behalf, (3) receipt of compensation in the form of certain amounts in stock and cash, for himself, his spouse, and his attorney (the attorneys are to be separately paid by Sulzer); (4) the opportunity to receive additional compensation for "extraordinary injuries;" (5) medical monitoring, if needed; (6) the knowledge that certain of the "Sulzer-related" defendants have effectively dropped possibly meritorious defense (e.g., Sulzer Medica, Ltd.); and (7) substantially reduced time and expense in connection with pursuing his claims.

On the other hand, a claimant could possibly obtain even greater benefits by opting out of the settlement and, for example: (1) obtain a judgment for a greater amount; (2) obtain a judgment against certain "Sulzer-related" defendants that may not have contributed settlement funds in an amount satisfactory to the claimant, e.g., Sulzer AG; and (3) obtain a judgment against certain other defendants that have not contributed to the settlement (e.g., the surgeon, hospital, or medical supply company).

The Court went on to state that the fact that a claimant may undertake this calculus and choose to opt out of the settlement speaks to the fairness of the proposed agreement - if a claimant does not believe the agreement is reasonable, adequate, or equitable, he may sue the defendants, just as he could in the complete absence of the class settlement agreement.

The Court went on to point out that in this case, however, the main objection to the proposed agreement is that it leaves the people that might opt-out with an unacceptable choice, because the possible benefits of opting out are too low. For example, under the proposed settlement agreement, the defendants will place preferential six-year liens on their assets in favor of those that opt-in; this means that an opt-out plaintiff would have to "stand in line" behind participating class members for several years before collecting on a successful judgment. The objectors also note that, under the proposed settlement agreement, any settlement funds allocated to claimants who opt-out will be awarded to participating class members; this means that an opt-out plaintiff who succeeds in obtaining a judgment might have fewer assets against which to collect, since the settlement share allocated to him was not retained by the defendants.

In addition, the objectors note that, if the defendants settle with an opt-out claimant on terms more favorable than are received under the Settlement Agreement by participating claimants, then the defendants agree to pay all those claimants that did opt-in the excess financial consideration (so that those that opt-in are assured of receiving the equivalent of any settlement in the future); objectors assert this gives the defendants a strong disincentive to afford them

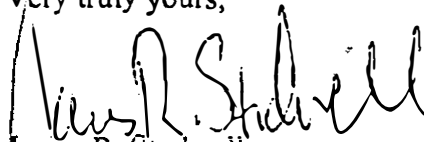
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better settlements.

The Court counters these arguments by stating that they ignore that the opt-out claimants are free to: (1) pursue their own litigation, wherein they can name their own defendants and follow their own strategy; (2) secure an immediately collectible judgment against those defendants whom they have most objected should not be released from liability, including Sulzer AG, physicians, hospitals, and medical suppliers; (3) also secure judgment against those defendants that placed six-year liens on their assets; and (4) enjoy the accumulation of post-judgment interest on any such judgments until the liens are released, and then fully collect on those judgments. The Court also points out that given the likelihood of an appeal on a successful judgment, that having to wait for release of the six-year liens does not really represent a substantial delay. Therefore, the Court states that the argument that there is no true opt-out provision is incorrect and not accurate.

As you can see, the decision as to whether or not to opt-in or opt-out *if* the proposed settlement is finally approved is a difficult one. The proposed settlement agreement is not a perfect one, and reflects a large compromise. We are sending this letter so that you can have sufficient time to determine which course of action you would like to pursue. If you have any questions at all, please feel free to call. We will also be following up with you in the near future.

Very truly yours,



James R. Studwell

JRS:dg