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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

IN RE: CHINESE MANUFACTURED * Docket No.: 09-MD-2047
DRYWALL PRODUCTS * Section "L"
LIABILITY LITIGATION * July 25, 2019
* New Orleans, Louisiana
This Document Relates To All Cases *
* * * * *

TRANSCRIPT OF MONTHLY STATUS CONFERENCE
HEARD BEFORE THE HONORABLE ELDON E. FALLON
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiffs: Herman Herman & Katz, L.L.C.
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1 APPEARANCES:

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15 Proceedings recorded by mechanical stenography, transcript
16 produced by computer.

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1 agenda. There are really only two issues. One, as the Court's
2 aware, there's a stay order that's in effect through the end of
3 July. The parties are addressing that further and will be
4 prepared to discuss that further with the Court. Ms. Duggan is
5 here if the Court has any questions as to what's transpiring
6 with that.

7 **THE COURT:** All right. In the meeting a moment ago
8 with liaison and lead counsel, we discussed the posture of the
9 present settlement. Christy Eikhoff from the defendants called
10 in from Beijing, China, and reported that there's just some
11 structural delay, but that the agreement that the parties have
12 worked out, with the exception of some minor changes which are
13 agreed to by both parties, it looks like the settlement is
14 agreeable to the defendants.

15 They've gone over it line for line, I
16 understand, and they're in agreement at least with the matter
17 and now they have to go through the corporate structure to make
18 sure that everybody's signed on. They anticipate that being
19 done sometime in late August, August 20th or 21st, I think it
20 is.

21 We've set a preliminary approval of the class
22 certification for August 29th. That's going to be also our
23 next meeting. We'll have a meeting, and then we'll go into the
24 preliminary approval on the class certification, and that's
25 where we are at this time.

1 Sandy, anything?

2 **MS. DUGGAN:** Good morning, Your Honor.

3 Yes. We are well underway to finalizing the
4 class settlement with Taishan, and the parties have committed
5 to filing the settlement agreement and the motion for
6 preliminary approval on the record no later than August 20th,
7 and we would like to have a hearing on the 29th, which we
8 understand Your Honor has scheduled. Then we would just need
9 to officially extend the stay until the date of that hearing, I
10 would imagine, or the end of August.

11 **THE COURT:** Okay. I saw the preliminary draft and
12 made some suggestions to the parties. My main concern was that
13 I want to make sure that the litigants themselves understand
14 what they're going to net from the settlement. If they have
15 any questions, they ought to be able to raise them. There's
16 some moving targets, there's attorney's fees, but we can also
17 estimate that using what's requested.

18 But, in any event, the litigants have to know
19 what they're going to net so that they can make a decision as
20 to whether or not it's agreeable to them. I don't want
21 somebody later on to say that they didn't understand it, they
22 didn't know that this was going to be taken out. The
23 attorney's fees in this instance in this settlement will come
24 from the amount of the settlement as opposed to what it was
25 with the Knauf settlement. So they have to understand all of

1 that.

2 **MS. DUGGAN:** We understand the Court's concerns, and
3 we appreciate what the Court is intending for the parties to
4 do.

5 We have been in communication with the claims
6 administrator, BrownGreer, and the intent is for when the
7 notice goes out to all known class members, they'll be
8 individual mailed notices, and for there to also include an
9 estimated recovery in that notice that is individualized so
10 that each class member will be aware of what the estimate is.
11 It will be a gross recovery and the maximum amount of
12 attorney's fees and costs will be clearly stated that that
13 would then be deducted from the estimate.

14 Anything, Jake?

15 **MR. WOODY:** On Taishan, I agree with everything that
16 Ms. Duggan just said. We've talked and we can include a letter
17 that the Court approves and the parties draft, and we're happy
18 to do that.

19 Can I give a quick update on the Knauf attorney
20 fee side?

21 **THE COURT:** Yes.

22 **MR. WOODY:** I spoke with the Court's financial office
23 this morning. They've completed all of their paperwork, which
24 I understand is somewhat voluminous, to transfer the funds to
25 us. We expect to receive those any day. As soon as we do,

1 we'll be able to make the payments -- the common benefit
2 payments in accordance with your February order in those
3 amounts. We also have sent out to every firm a list of their
4 properties and their fees on each property and the total fees
5 they would receive under this deal.

6 We have received some comments back, nothing
7 major, nothing too difficult to deal with. We'll take a little
8 bit of time just to make sure we can resolve any of those that
9 we are able to ourselves. If we can't, we'll hold back that
10 money so that we can have it if we need to pay it; if we don't
11 pay it, we'll just put it back in the pool. So we'll make the
12 common benefit payments pretty quickly after we receive the
13 money, and then the individual payments not long after that.

14 Thank you, Your Honor.

15 **THE COURT:** Okay. That sounds good.

16 Anything further, Lenny?

17 **MR. DAVIS:** No, I believe that's all the items, Your
18 Honor.

19 **THE COURT:** Okay.

20 **MR. ROSENBERG:** Your Honor, just a housekeeping
21 matter for the record since the telephone system is down.

22 **THE COURT:** Yes.

23 **MR. ROSENBERG:** I know when we met with Your Honor
24 earlier just with liaison counsel, the Court decided to cancel
25 the September 21st conference because we were going to have a

1 conference on September 29th-- I'm sorry, August 29th -- I was
2 ahead of myself -- and then you set a conference for
3 September 20th at 2:00.

4 **THE COURT:** Right. Okay. The next conference is
5 August 29th at 9:00, and following that conference, we'll have
6 the preliminary approval of the class certification hearing.
7 The following one will be September the 20th at 2:00 p.m.

8 **MR. ROSENBERG:** Thank you, Judge.

9 **THE COURT:** Okay. All right, folks. Anything else?
10 Okay. Thank you very much. Court will stand in
11 recess.

12 (WHEREUPON, the proceedings were concluded.)

13 *****

14 **CERTIFICATE**

15 I, Jodi Simcox, RMR, FCRR, Official Court Reporter
16 for the United States District Court, Eastern District of
17 Louisiana, do hereby certify that the foregoing is a true and
18 correct transcript, to the best of my ability and
19 understanding, from the record of the proceedings in the
20 above-entitled and numbered matter.

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22
23 *s/Jodi Simcox, RMR, FCRR*
24 Jodi Simcox, RMR, FCRR
25 Official Court Reporter