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U.S. DISTRICT COURT
EASTERN DISTRICT OF LA
2006 JAN 23 PM 4:45
LORETTA G. WHYTE
CLERK

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

IN RE: PROPULSID : MDL NO. 1355
PRODUCTS LIABILITY LITIGATION :
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:
SECTION: L
:
THIS DOCUMENT RELATES TO ALL CASES : JUDGE FALLON
: MAG. WELLS ROBY
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**JOINT REPORT NO. 45 OF
PLAINTIFFS' AND DEFENDANTS' LIAISON COUNSEL**

Plaintiffs' Liaison Counsel (PLC) and Defendants' Liaison Counsel (DLC) jointly submit this Joint Report No. 45.

I. State Liaison Counsel (Minute Entry, November 16, 2000)

The State Liaison Committee continues to communicate with the DLC and PLC regarding the status of the State Settlement Program that was presented to the Court at the December 15, 2005 Monthly Status Conference. Copies of the Term Sheet are accessible now and related forms will be accessible shortly on the Court's website located at <http://propulsid.laed.uscourts.gov>.

II. Service List of Attorneys

The parties will present the Court with the most current Master List of all Counsel and pro se plaintiffs, which will contain, where available, e-mail addresses.

--- Fee _____
--- Process _____
 Filed _____
 CtRrnDep _____
--- Doc. No. _____

III. Trust Account

Since the last status conference a deposit was made by Defendants on January 4, 2006 in to the Trust Account.

IV. Trial Schedule

The matter of *Gregory A. Gellner v. Johnson & Johnson, et al.* is set for trial on June 26, 2006 in the Circuit Court for Marshall County, West Virginia.

V. MDL Mediation and Resolution Program

The deadline for enrollment and the submission of Claim Forms was extended jointly by the parties to December 15, 2005. Since the last Monthly Status Conference, the Special Master's office continues to review those Enrollment and Claims Forms that have been submitted to determine if the Forms meet the qualifying criteria set forth in the Term Sheet. The Special Master has been communicating consistently with claimants' attorneys to process the submissions and to identify any deficiencies. The Special Master has identified a number of Claim Forms that are ready for further processing and which there are no deficiencies or the deficiencies have been remedied. As to these Claim Forms, the Special Master provides notice to Defendants so that Defendants can exercise their right under the Term Sheet to collect outstanding medical records and submit memoranda to the Special Master within 60 days of such notice. After this process is complete, in turn, the Special Master will submit the claims to the Medical Panel for review. Thus far, the Special Master has submitted 20 claims to the Medical Panel for review. The Special Master advises that additional claims are in the queue for submission and will routinely prepare a report regarding the status of claims to be submitted to

the Medical Panel for review. The Special Master will report to the Court at the January 25, 2006 Monthly Status Conference regarding the current status of claim administration.

Representatives of the PSC and the Special Master recently met with representatives of the United States Government to attempt to work out a resolution of the Federal Medicare Lien. The parties will be prepared to report on these discussions and the ongoing progress at the January 25, 2006 Monthly Status Conference.

Defendants continue to submit a list of plaintiffs/claimants whose records have already been obtained by defendants in whole or in part, so that the PSC, the Special Master and the attorneys for these plaintiffs/claimants can prioritize the submission and review of the Claim Forms for these individuals. Defendants have advised that this will enable defendants to speed up their preparation of the eligibility memos because of defendants' prior knowledge of the medical records in these cases.

The weekly telephone conference with the Special Master, PLC and DLC continues to take place. The PLC and Defendants continue to discuss a number of administrative issues germane to the Resolution Program.

The parties will be prepared to discuss these issues further at the January 25, 2006 Monthly Status Conference.

VI. Pro se Plaintiffs

On December 7, 2005, Defendants filed a Motion for Proposed Order to Show Cause to set forth procedures for notice to pro se plaintiffs and suggestions for how their cases should be managed from this point forward. In addition, on December 7, 2005, Defendants filed a Joint Motion to Appoint a Curator to assist pro se plaintiffs to aid pro se claimants in reviewing their

options regarding their prosecution of their Propulsid lawsuits. The parties will be prepared to discuss this at the January 25, 2006 Monthly Status Conference.

VII. Proposed Order to Reflect Dismissal of Certain Tolling Agreement Claimants

The parties are discussing an appropriate dismissal order to submit to the Court for the Court's consideration. On December 2, 2005, Defendants sent PLC a draft of such Order and awaits their response. Tolling agreement claimants who are not awarded compensation and those persons whose claims are covered by Medical Records Reimbursements will be the subject of the dismissal order.

VIII. Motion for Clarification of August 12, 2005 Minute Entry

On September 15, 2005, Ingram & Associates, PLLC filed a Combined Motion for Clarification of August 12, 2005 Minute Entry and Memorandum in Support of Said Motion and Request for Additional Relief regarding the Court's ruling related to the disposition of claims using the "Short Form." Defendants filed an opposition on October 11, 2005. The parties agreed to continue the Motion pending discussions regarding a resolution, which are ongoing.

IX. Proposed Order Approving A Wrongful Death Award Made by the Special Master in the MDL 1355 Settlement Program

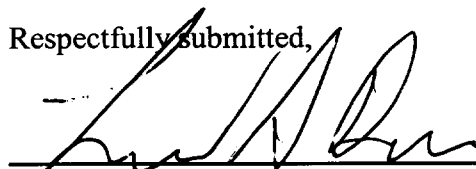
On October 7, 2005, a Proposed Order was provided to Defendants' counsel that would avoid approvals by State Equity, Chancery and Common Pleas Courts of settled claims. This proposed Order was sought to avoid multiple approvals that may require additional time and expense, and to consolidate the issues into one MDL Order to handle the various matters. On January 18, 2006, Defendants provided responsive comments in a draft of a Joint Petition Approving the Use and Form of a Template Petition for the Approval and Distribution of a Tier I

Award From the Special Master which is under review by the PSC. The parties will be prepared to discuss this at the January 25, 2006 Monthly Status Conference.

X. Emergency Motion for Distribution of Attorney's Fees

On November 23, 2005, the Court issued an Order and Reasons regarding the Emergency Motion for Distribution of Attorney's Fees with full reservation of rights to all attorneys who may claim any right to common fees and expense reimbursement. On December 5, 2005, Daniel E. Becnel filed a Motion to Reconsider the Motion. Daniel E. Becnel and the PLC requested that the Motion be reset for hearing at the February monthly status conference and the Court has set the Motion for February 15, 2006.

Respectfully submitted,



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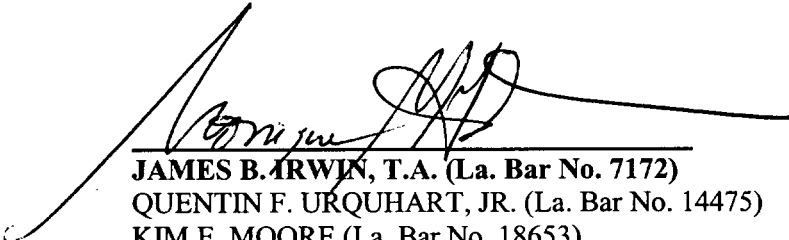
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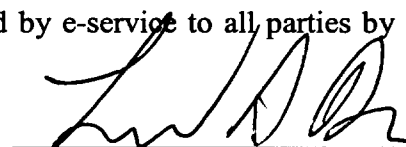
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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Joint Report No. 45 of Plaintiffs' and Defendants' Liaison Counsel was served on Plaintiffs' Liaison Counsel by e-mail and by e-service to all parties by uploading same to LexisNexis, on this 23rd day of January, 2006.



**UNITED STATES DISTRICT COURT
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Monthly Status Conference
January 25, 2006- 9:00 a.m.

AGENDA

Current Matters:

1. State Liaison Counsel
2. Service List of Attorneys
3. Trust Account
4. Trial Schedule
5. MDL Mediation & Resolution Program
6. Pro Se Plaintiffs
7. Proposed Order to Reflect Dismissal of Certain Tolling Agreement Claimants
8. Motion for Clarification of August 12, 2005 Minute Entry
9. Proposed Order Approving A Wrongful Death Award Made by the Special Master in the MDL 1355 Settlement Program
10. Emergency Motion for Distribution of Attorney's Fees