

**MINUTE ENTRY
FALLON, J.
MARCH 12, 2009**

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

IN RE: PROPULSID : **MDL NO. 1355**
PRODUCTS LIABILITY LITIGATION : **SECTION "L"**
: **JUDGE FALLON**
..... :

THIS DOCUMENT RELATES TO ALL CASES

A monthly status conference was held on this date by telephone in the Chambers of Judge Eldon E. Fallon. At the conference, counsel reported to the Court on the topics set forth in Joint Report No. 72 of Plaintiffs' Liaison Counsel (PLC) and Defendants' Liaison Counsel (DLC). This conference was transcribed by Ms. Cathy Pepper, Official Court Reporter. Counsel may contact Ms. Pepper at (504) 589-7779 to request a copy of the transcript. A summary of the monthly status conference follows.

I. State Liaison Counsel/MDL Resolution Program II

The enrollment requirements have been met for the State Settlement Program (Propulsid II). Escrow Agreements have been executed and Defendants have funded the various funds. The claims, medical records, and claimant memoranda deadlines have passed. Administrative claims are being processed and disbursements have begun. The Special Master's Office has begun clearing claims for defense briefing, and the defendants have begun submitting defense memoranda. One hundred sixteen (116) claims have been submitted to the Medical Panel for review, of which defendants have treated 113 on an expedited basis.

II. MDL Mediation and Resolution Program

The deadline for enrollment and the submission of claims forms for the First MDL Resolution Program has expired.

The Special Master's office continues to review Claims Forms to determine if the Forms meet the qualifying criteria for submission to the Medical Panel set forth in the Term Sheet. The Special Master continues to notify the attorneys for the claimants that have deficiencies. Thus far, in Propulsid I, the Special Master has submitted 2,711 Tier I, II, and III claims to the Medical Panel for review. Of the 2,711 claims the Defendants have treated 2,332 on an expedited basis. Twenty-three (23) of the tiered claims submitted to the Panel have been found eligible by the panel, and the Special Master has made those awards. One hundred seventy-four (174) tiered claims are still in review by the Panel, 145 of which are considered expedited by the Defendants.

On April 29, 2008, the Court entered an Order regarding the waiver of the 6% MDL assessment fee as to those claimants found eligible by the Medical Panel. As for those claimants who have already received awards as of April 14, 2008 and whose awards were subject to the 6% assessment, the Clerk of Court remitted a check to the Special Master to reimburse those claimants for such assessment and further, the balance of the awards, the holdback 50% of the award, was paid out from the Settlement Fund to each claimant that was found eligible for an award and who had previously received 50% of their award. As to all awards made after April 14, 2008, the 50% holdback remains in place.

Defendants continue to submit a list of plaintiffs/claimants whose records have already been obtained by defendants in whole or in part, so when necessary, the parties, the Special Master and the attorneys for these plaintiffs/claimants can expedite the submission and review the Claim Forms for these individuals.

The parties have agreed on a select number of cases that will be subject to a second review, 9 of which have been deemed eligible for awards.

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

Marilyn Reynolds called to inquire about the status of her award.

III. Attorney's Fees Issues

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. The matter was set for hearing on September 24, 2008, but has been continued.

On March 2, 2006 Dumas & Associates Law Corporation filed a Motion for Common Benefit Fees and Expenses Reimbursements. On April 4, 2006, the PLC filed a response to the motion. The hearing date has not been set.

On August 5, 2008, Robert J. Caluda and A.J. Rebennack filed a Motion for Leave to File Motion for Reimbursement of Costs for Common Benefit to the Class and Committee. The PSC filed an opposition to the motion on October 6, 2008. The matter was set for hearing on November 5, 2008 and a resolution was reached.

IV. Plaintiff's Counsel's Request to Receive 100% of Award

Plaintiffs' Liaison Counsel and Defendants have agreed to a permanent modification of the 50% holdback provision of the Term Sheet in Propulsid I. The law firms of Herman, Gerel, LLP and Levin, Fishbein, Sedran & Berman have agreed to guarantee the funds necessary to allow 100% payments to all eligible claims (excluding the prior 12 that have been paid in full) in

the event the total sums awarded to those eligible claimants exceed the total balance available in the Settlement Fund. Payments of the 50% holdback have been made to 6 claimants since the last status conference and the Special Master will continue to make payments of 100% of awards to eligible claimants pursuant to the parties' modification as stated above.

V. Medical Records from Medical Records Providers

On December 4, 2008, the Court issued an Order requiring certain medical providers who have failed to comply with or even respond to legal requests made by Propulsid claimants for the production of their medical records to appear in Court on December 22, 2008 to show cause why they should not be held in contempt of court and why they should not also be fined \$1,000 per day for every day thereafter until such records are produced. The Order provided that the medical records providers can satisfy the records request by submitting the information to Special Master Patrick Juneau in the Special Master's Office, 400 Poydras Street, Suite 2820, New Orleans, Louisiana 70130-6901, prior to Thursday, December 18, 2008, so that they will no longer be subject to the Order and no longer required to appear in Court. On February 5, 2009, the Court issued an order rescinding the Order of Contempt Ab Initio, as all of the medical providers subject to the Order of Contempt complied with the December 4, 2008 Order.

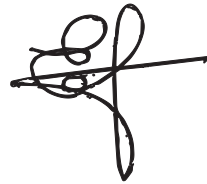
VI. Destruction and/or Retrieval of Medical Records

On March 5, 2009, the Special Master, filed a Motion Seeking Authorization for Destruction of Medical Records Pertaining to Propulsid I which seeks to establish a process for the destruction and/or the retrieval of medical records that the Special Master has collected for the claims in the Settlement Programs. On March 6, 2009, the Court issued an Order requiring that any claimant, whose claim has had a determination on eligibility for payment under the terms and provisions of the Resolution Program I, who objects to his/her medical records in the

possession of the Special Master being destroyed, must file a written objection with the Court no later than Wednesday, April 15, 2009, and show cause on Wednesday, April 22, 2009, at 9:00 a.m. why such records should not be destroyed. Anyone who has had a determination of eligibility and has not filed a timely objection shall have their records destroyed at the direction of the Special Master.

VII. Next Status Conference

The next status conference will be held by telephone on April 15, 2009 at 1:30 p.m. The dial-in is 1-866-213-7163 and the conference ID is 90516313.

A handwritten signature in black ink, consisting of several loops and a horizontal line extending to the right.