# UNITED STATES DISTRICT COURT

## EASTERN DISTRICT OF LOUISIANA

IN RE: PROPULSID PRODUCT MDL NO. 1355
LIABILITY LITIGATION NEW ORLEANS, LOUISIANA

THURSDAY, JULY 18, 2002

9:00 A.M.

SECTION "L"(4)

# **HEARING**

BEFORE THE HONORABLE ELDON E. FALLON UNITED STATES DISTRICT COURT JUDGE

# APPEARANCES:

PLAINTIFFS:

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## APPEARANCES CONTINUED:

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REPORTED BY:

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Proceedings recorded by mechanical stenography. Transcript produced by computer aided transcription.

P-R-O-C-E-E-D-I-N-G-S 1 (9:00 A.M. - MORNING SESSION) 2 (THURSDAY, JULY 18, 2002) 3 (COURT CALLED TO ORDER) 4 5 THE CLERK: Everyone rise. THE COURT: Be seated, please. 6 7 Good morning, ladies and gentlemen. Call the case, please. 8 THE CLERK: MDL 1355. In re: Propulsid Products 9 10 Liability Litigation. THE COURT: Counsel make their appearance. 11 12 MR. MURRAY: Stephen Murray for the PLC, Your Honor. MR. IRWIN: Good morning, Your Honor, Jim Irwin for 13 14 defendants. 15 THE COURT: We're here for our monthly status meeting. 16 Prior to the meeting, I've had an opportunity to meet with 17 Liaison Counsel to get ready for the meeting. We have discussed some issues, but we will go over the joint report which they 18 have submitted. 19 20 The first item is the rolling discovery update. 21 MR. IRWIN: Your Honor, as I believe we've reported to you, our main contact on this case, Mr. Conour, has been 22 23 suffering from the virus lately and that explains some of the

blanks we have in the report. I can say he's doing a little

better in the last couple of days, I've had some contact with

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him.

The domestic e-mails have been completed. I think, as we indicate in the report there, there are going to be some Beerse e-mails that will be delivered today or tomorrow to Mr. Davis. He and Mr. Murray and I spoke about that last night and that Mr. Davis and Mr. Buchanan and Mr. Conour are meeting again on the other issues involving e-mails and we will report back to the Court shortly about that.

THE COURT: Do the Plaintiffs have any comment on that?

MR. MURRAY: Nothing to add, Your Honor.

THE COURT: The second item is State Liaison Counsel.

I understand there's a substitution.

MR. MURRAY: Your Honor, Mr. Walter Dumas has resigned from the State Liaison Committee. Mr. Herman has requested that Sam Davis of New Jersey be appointed in his stead.

THE COURT: Anyone have any objections to Mr. Davis?

MR. IRWIN: No objection, Your Honor.

THE COURT: Let Mr. Davis be appointed, and please alert him to that appointment.

MR. MURRAY: Yes, Your Honor.

THE COURT: Number 3 is the patient profile forms and authorization.

MR. IRWIN: Your Honor, the status of the patient profile forms and authorizations are reported in paragraph 3 of the report, and we have not decided yet whether we will pursue

further motion practice with respect to those remaining issues. It is not large in comparison to the previous issues we've had.

THE COURT: Do give some thought to it because we're moving into an area where we ought to have only those individuals who are interested in pursuing the case. It's my feeling that often times you get to a particular point where people who have not participated or not interested all of a sudden become interested or think they may be or should be interested and this begins to slow matters down. So let's be conscious of that. We're getting into an area in which we're moving toward the completion of the case and beginning to see an end in sight. So let's get the people only who want to complete the voyage.

MR IRWIN: We'll take a look at it and report back to Your Honor on August 23 about that.

THE COURT: Okay. The fourthll item is: Subpoenas to the FDA.

MR. MURRAY: Your Honor, the PLC has reviewed the FDA's return on the subpoena decus tecum. There are some unresolved issues were respect to that review. There are gaps in the Bates numbers that we can't explainmm, where there are Bates stamped numbers or pages which are missing from the production not explained by the privileged log, but we'll follow up with the FDA and attempt to resolve that.

THE COURT: The FDA has been cooperative. I appreciate

the cooperation up to this point but we need them to cooperate completely in this situation, so if there is some misunderstanding try to clear it up. If it isn't a misunderstanding and there is some reluctance get me the name from somebody from the FDA and I will order them to come to court and explain it to me.

MR. MURRAY: Thank you, Your Honor.

THE COURT: Thank you.

Service list of attorneys.

MR. IRWIN: Yes, Your Honor. We have the list this month, the most current list. I have a copy for your clerk, a copy for the State Liaison Counsel and for Mr. Davis.

THE COURT: The next item is ongoing studies, subpoena to BevGlen.

MR. MURRAY: Your Honor, with respect to some of the defendant studies, there are pending issues as to decertification of some of those documents. There seems to be at least a potential that we can resolve that issue with respect to the CIS-NED-32, but as to the remaining studies identified in the defendants response for production of documents, there may be the need for some motion practice. But we are continuing to discuss those issues.

THE COURT: All right. The parties should understand that we have an MDL case which involves multiple state court actions. The state court actions have either be suspended or

held up either by virtue of the volunatry cooperation of the state court judges or by virtue of the orders of this Court, but I don't want to impede those actions from going forward. litigant in these state court cases will need certain material to proceed forward. I want to make sure that they have that material. I am sensitive, however, to propreitary problems that this disclosure might present. Some time there's difficulties in certain proprietary interest regarding how the material is accumulated or whatever, but the basic feeling of the Court is that that material has to be made available to people who want to try the cases and who need the material to do so. construct court orders or seek the help of the state courts in holding that material confidential, but the bottom line is that necessary materials are going to have to be distributed in some form or fashion.

MR. MURRAY: And we'll be filing the motion to decertify by the end of the week, Your Honor.

THE COURT: All right.

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MR. IRWIN: Your Honor, we will work with the PSC on the CIS-NED-32 issue. We may be able to resolve that. If we are unable to resolve the wholesale declassification we will file a response brief and it is our view that we do not require oral argument on that.

THE COURT: And we will set those motions for two weeks hence. I'll decide the matter on the briefs. Anything else on

that area?

MR. MURRAY: No, Your Honor.

THE COURT: Okay. Then motions for class certification is the next item on the agenda. We dealt with one motion for class certification but there is another aspect to that particular motion. I suspended the matter holding it in obeyance until we had future motions on the issue of nation wide class certification.

MR. IRWIN: Your Honor, all sides are interested in resolving the remaining issues surrounding class certification. We agree that further production of the e-mail information is appropriate, and we suggest that when we return for the August meeting that we may be able to present the court with a more finite schedule for resolving that but the two are related. The delivery of the e-mails and the scheduling of the class certification.

THE COURT: Plaintiffs' and defendants' respective request for production of documents is the ninth item. Any comments there?

MR. IRWIN: Your Honor, we are, and Mr. Davis and Mr. Murray and I spoke about this last night, the fifth request for production of documents is something that we are also talking to them about in connection with the 30(b)(6) deposition that is being scheduled, and I don't know whether we'll be able to resolve that or not but we are talking about that in connection

with the 30(b)(6) deposition and I think we will be able to resolve the issues surrounding the 30(b)(6) deposition.

THE COURT: What's a reasonable date for concluding that or bringing it to the Court's attention so the Court can conclude it?

MR. IRWIN: I think with respect to the fifth request for production of documents if we do not have it resolved as between ourselves by August 23, that the Court should then be in a position to resolve it.

I do believe that we will able to agree upon a procedure for the 30(b)(6) deposition. That is a deposition of an individual who will speak to the 800 studies. The Court will recall the exhibit we produced basically containing a break out, a spread sheet of all the 800 studies. They have asked for a 30(b)(6) deposition of a witness to explain all of those studies, so obviously we have to go to a great deal of effort to prepare that witness so that that witness can speak accurately about that large amount of data.

Mr. Campion has spoken to Mr. Herman and to Mr. Davis about actually putting together a data base for that depondent to refer to in providing that 30(b)(6) deposition. I believe we will agree on all of that and right now the ball, so to speak, is in the court of PSC with respect to the information that we're going to assemble in that data base for that deponent.

THE COURT: Let me know a week before the next hearing

as to whether or not that matter has been resolved. If not, I will resolve it at the time of the hearing.

MR. IRWIN: Yes, sir.

MR. MURRAY: Your Honor, there's also pending the PLC's motion to compel with regard to the Norcisapride documents and discovery, and I believe I heard Your Honor say that you would set that for argument at the next status conference.

THE COURT: That's my understanding that that's the date that's convenient and satisfactory with both sides that at the next status conference we will have oral argument on that particular motion at that time.

MR. IRWIN: Yes, Your Honor.

THE COURT: Okay. After if meeting then we'll go into that for malt.

MR. MURRAY: Thank you, Your Honor.

THE COURT: Motions for a remand. That's removed from the agenda.

Item 11, deposition procedure.

MR. IRWIN: Yes, Your Honor, we have agreed to AN amendment, a supplemental pretrial order for pre-trial order number 7. Pre-trial number 7 was Your Honor's order with respect to the taking of depositions and the conduct at depositions. This is a supplement to that that provides for the handling of certain exhibits. It's been signed by Plaintiffs' Liaison Counsel and Defendants Liaison Counsel, and I will give

the original and a copy to your clerk.

THE COURT: The next item is the Shell/Morganroth Study.

MR. MURRAY: Your Honor, the defendants have requested production of some of the data used by Dr. Morganroth. We have followed up with Dr. Morganroth, he says that he doesn't have those EKG interpretations currently in his possession. The belief is that they were likely returned to Dr. Shell. The PLC will have representatives at Dr. Shell's office to go through Dr. Shell's materials and see if they can be located and we promised a response to the Defendants Liaison Counsel by the end of next week.

THE COURT: That's important because it is necessary for their preparation. As I understand it, they've taken the deposition; the deponent referred to certain matters.

Defendants now need to see those documents he; mentioned or relied upon. It's important that that be accomplished. Let me hear from the defendant.

MR. CAMPION: Your Honor, if I may just supplement. We appreciate the e-mail that counsel for the PSC gave us recently about Dr. Morganroth, understanding that he has no retained documents. Our concern concerns both Morganroth and Dr. Vincent who are two co-authors. We have arranged, when we stood up for some of the third party subpoenas, to end up getting a certificate of compliance or noncompliance, as the case may be,

and we would be looking to the same from the PSC respecting the Shell study.

THE COURT: All right. The next item is 30(b)(6) depositions regarding defendants studies.

Mr. Irwin: Your Honor, I think we touched upon that a few moments ago in connection with the previous agenda item.

THE COURT: And the trust account is the next item on the agenda.

MR. MURRAY: Your Honor, there are some issues currently under discussion with respect to what documents need to or what records need to be maintained by the depository bank and for whose benefit those records would be maintained, and therefore discussions as to who bear the cost of that, but we haven't resolved those issues but we're working on them.

THE COURT: Okay. Bring it to my attention the week before the next status conference. I'll resolve it at that conference, if it hasn't been resolved.

MR. MURRAY: Yes, Your Honor.

THE COURT: The next item is the motion to dismiss Forshag's Pharmacy. I ruled on that. That can be removed from the agenda.

The next item is: Declassifying documents. I think we touched on that a moment ago or do we need to discuss it any more?

MR. IRWIN: I think the only thing we could add to that

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here, Your Honor, is that this specifically relates to the declassification of the documents that were attached to the motion for class certification by the PFC. We agree to the declassification of all but seven, and Mr. Davis and I spoke about this last night. They have sent us a list back of the exhibits that we are agreeing to, and we're working on submitting to Your Honor an order that would provide for the declassification and I still believe that Mr. Davis' group has not quite decided where they stand on the seven, but those are the only remaining issues.

THE COURT: What's a reasonable time that that can be completed? Mr. Davis, what's a reasonable time that you can complete this?

MR. DAVIS: Your Honor, those seven items will be subject to the motion to declassify. It will be included in that motion. What we are working on is getting an order to you and we should do that relatively soon. That order will allow for the declassification of a number of items and attached to that order will be a listing of those items. It's a matter of just having that listing confirm to be acceptable.

THE COURT: Let's do that in a week then. One week from day.

The motion to withdraw counsel of record in the Anthony Scott case is the next item on the agenda.

MR. IRWIN: Excuse me, Your Honor. I was making a

note.

THE COURT: Motion to withdraw in the Anthony Scott case. That's a case, as I remember, out of Florida.

MR. IRWIN: Yes, sir. Our recommendation to the Court is, having consulted with the Plaintiffs Liaison Counsel on this, that we will consult with Mr. Levin who has a draft motion and order for the withdrawal that has been used in other cases. We will attempt to develope an order that we can agree on our concern is that there should be a record that effectively establishes that there has been communication between counsel and the client establishing the client's knowledge of the obligation to comply with PTO Number 9.

Further, it is the defendants' request that any order that would permit the withdrawal of the attorney also include in it a clear specification that it is not to the prejudice of the defendants rights to pursue its PTO-9 remedies against and pro se plaintiff. And further, that we be provided with an accurate address of the plaintiff in the event the attorney is permitted to withdraw.

THE COURT: I agree with your observation and request. I think that that's consistent with the Court's previous ruling and comments throughout litigation, so get with Mr. Levin and see where we are with it. Let me know in a week from today as to what can be done.

MR. IRWIRN: We will, Your Honor.

The report indicates that with regard to THE COURT: the trial schedule, DLC has provided PLC with a draft of the pre-trial order as to cases originating in the Eastern District. As I mentioned to counsel last time, I do recognize that one of the problems or criticisms, I should say, throughout the country with the MDL procedure, is that once the case is transferred to the MDL nothing is heard from or about that particular case for a long, long, if ever, time. It's the black hole comment, that is a criticism that some attorneys sometimes make about MDL litigation. It generally comes from attorneys who are not on the various committees. I want to be sensitive to that. those cases that are ready for trial early on or who feel that they can be tried or are willing to be tried, want to tried, we ought to give them an opportunity to express their interest to the Court and peel them off from the MDL and let them go their way toward trial. Consistent with that view I directed counsel to get to me a list of cases from Louisiana. That is to say, those cases that have been filed in Louisiana in which I am the trial court. I'm not the transferee court under 1407. I am actually the trial court. I am willing to try any of those cases that are ready for trial as soon as possible. I'd like to begin trying those cases sometime in November or December of this year.

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Counsel, pursuant to the Court's direction got together or are getting together an order, a pre-trial order for those

particular cases. I'm interested in seeing whether or not we can group those cases. There are about 60 or thereabout cases originally filed in Louisiana. We ought to be able to group them in terms of death cases, infant cases or personal injury cases or some grouping that makes sense, and then the parties should rank those cases and then we can begin trying them in some fashion that will hopefully give you some input as to what juries feel is an appropriate result so that you can use that information to help you resolve the entire litigation. At the appropriate time, I would like to get with counsel and talk about the method of trial, the type of trial, the procedure for selecting jurors; the question of whether or not we issue questionnaires to prospective jurors; how we do the voir dire and things of that nature. The cases originally filed outside of Louisiana that are ready for trfial may involve some additional elements or problems. We have to decide whether or not those cases ought to be spun off, ought to be released from the MDL to go their way in the separate states or whether those individuals if they are willing to try the case in Louisiana with the consent of all of the parties can try them in Louisiana.

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Let me hear any comments from parties on this item or any of my comments.

MR. IRWIN: Well, Your Honor, we are encouraged by these developments and we have worked with the Plaintiffs

Liaison Counsel to respond to Your Honor's comments in that regard and we will continue to do so. I hope that by the time we come back in August that we will have some more concrete proposals for Your Honor.

We will get a list of the 67 cases to the Court. We have a draft list that we have given to Plaintiffs Liaison Counsel. We probably need to refine it as among ourselves and we will get it to Your Honor.

MR. MURRAY: Your Honor with respect to the 67 Louisiana filings, Bob Wright of the PLC has undertaken to confer with the lawyers representing each of those plaintiffs and he is obtaining data in the form of a -- a form to be completed by those lawyers which will assist the parties in determining which may be appropriate for trial settings.

THE COURT: Okay. Let me hear from counsel in two weeks from today on that list and we can decide which cases are going to trial in November and December.

MR. MURRAY: Mr. Wright would have been here, Your Honor, but he had a brother who passed away.

THE COURT: Okay. The next item on the agenda is the appointment of a mediator.

MR. MURRAY: Your Honor, at the Court's suggestion the parties met and discussed the potential for agreement on a mediator who would be acceptable to both sides. To that end,

Mr. Irwin and I exchanged a number of names in order to identify

qualified people who might be acceptable to both sides. We were able to identify a number of such people, but after preliminary telephone contacts and availability discussions it was agreed that we would interview two who we both felt were very well qualified and a Mr. John Perry of Baton Rouge and Patrick Juneau of Lafayette. They accommodated us by coming into New Orleans and we interviewed them at length. Both sides were comfortable with both men, but when we took into account the availability issues, we agreed that Mr. Juneau would be the best choice. Just by way of information to people who are here, Pat Juneau is an attorney of considerable litigation experience located in Lafayette, Louisiana. In recent years he served as special master in both federal and state courts in mast disaster litigation. Most notably he has been the special master in the Nortex train derailment train gas release in New Orleans East that was litigated in the Civil District Court for the Parish of Orleans, a tremendous number of claimants, great complexity. Mr. Juneau handled a large number of functions for the court, including the mediation and girding of the individual damage claims. That litigation is winding up and so he now has some availability that he can extend to this court and to the parties to assist us in mediation, and so I think both sides are very comfortable in recommending Mr. Juneau to Your Honor for appointment as mediator in this litigation.

THE COURT: I know both Mr. Perry and Mr. Juneau. I

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have litigated with them in my other life, and I have also had experience with them since I've been on the bench. I think highly of both of them. Mr. Juneau particularly has a lot of experience and a lot of ability and I'm delighted to hear that both of you all agreed upon him.

MR. IRWIN: Your Honor, I would only add on behalf of the defendants, that we echo Mr. Murray's comments. We also compliment Mr. Murray's industry in working with us to review all of these candidates. We all spent a great time deal of time on this.

As we said in the joint report we have for Your Honor a short resume from Mr. Juneau, he provided it to us. We're all familiar that Your Honor is aware of his excellent qualifications but I'll hand a copy to your clerk and Mr. Davis.

THE COURT: All right. Any input or comments from State Liaison Counsel on any of that material?

MR. ARSENAULT: We obviously share everyone's sentiments with regard to Mr. Juneau. I think he was involved in the MDL litigation with Judge Haik involving combustion. He's past president of the Louisiana Association of Defense Counsel, an excellent candidate.

THE COURT: Anything further from Liaison before we move on? Anything of interest to you? Any problems that you're having? Any difficulties that you can bring to the Court's attention that I can resolve?

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ARSENAULT: No new developments since the last MR. status conference.

THE COURT: And you're satisfied with the appointment of the substitute state liaison counsel, okay.

Anything else? Anything further?

MR. IRWIN: No, sir.

And the date for the next conference is THE COURT: August the 23rd at 9:00 o'clock and following that conference, we'll have argument on the motions.

Anything further from anyone?

MR. MURRAY: Yes, Your Honor. The PLC has requested from Johnson and Johnson and Janssen production of any and all indemnity agreements between those companies and pharmacy defendants in any matter pending in the MDL. Mr Campion, as I understand it, has agreed to produce those to Your Honor for in camera inspection.

THE COURT: All right. I assume that they're all the Produce one of them for an in camera inspection, I'll same. take the comment from plaintiffs counsel as an informal motion for production, I'll treat it as such. Give the indemnity agreement to me and then I'll make the decision as to whether or not it's producable.

MR. IRWIN: Yes, Your Honor.

MR. MURRAY: And also, Your Honor, we have conferred with counsel in the West Virginia cases where the pending

motions for dismissal of the Rite Aid pharmacy interests are pending and can advise the Court that he's comfortable with the 2 setting on those motions within 30 to 45 days. 3 THE COURT: We'll do that then. I'll set them within 4 5 that period of time. 6 MR. MURRAY: That you, Your Honor. 7 Anything further from anyone? THE COURT: 8 (NO RESPONSE) 9 THE COURT: Thank you, gentlemen. 10 Thank you, Your Honor. MR. IRWIN: THE CLERK: All rise. 11 12 Court's in recess. 13 14 CERTIFICATE 15 I, Victor D. Di Giorgio, Official United States Court 16 Reporter in and for the Eastern District of Louisiana, do hereby certify that the foregoing proceedings were taken down by me in 17 shorthand at the time and place aforesaid, transcribed under my personal direction and supervision, and that the preceding 18 pages represent a true and correct transcription, to the best of 19 my ability and understanding. 20 21 22 Victor D. Di Giorgio, CCR 23 Official U.S. Court Reporter 24 25