

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

In re: Baycol Products)
 Litigation) File No. MDL 1431
) (MJD/JGL)
)
) Minneapolis, Minnesota
) February 9, 2005
) 1:00 p.m.
)

BEFORE THE HONORABLE MICHAEL J. DAVIS
UNITED STATES DISTRICT COURT JUDGE
(EMERGENCY HEARING)

APPEARANCES

For the Plaintiffs: CHARLES ZIMMERMAN, ESQ.
 ELIZABETH CABRASER, ESQ.
 RANDY HOPPER, ESQ.
 TURNER BRANCH, ESQ.
 MARGARET BRANCH, ESQ.
 JEAN GEOPPINGER, ESQ.
 ROB SHELQUIST, ESQ.

For Defendant Bayer: ADAM HOEFLICH, ESQ.
 PETER SIPKINS, ESQ.
 SUSAN WEBER, ESQ.
 DOUGLAS MARVIN, ESQ.

For Defendant FRED MAGAZINER, ESQ.
GlaxoSmithKline:

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Proceedings recorded by mechanical stenography;
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P R O C E E D I N G S

IN OPEN COURT

1 THE COURT: Let's call this matter.

2 THE CLERK: In re: Baycol Products, Number 1431.
3 Please state your appearances for the record.

4 MR. ZIMMERMAN: Good morning [sic], Your Honor.
5 Bucky -- Charles Zimmerman for the PSC.

6 THE COURT: Good afternoon.

7 MR. HOPPER: Good afternoon, Your Honor. Randy
8 Hopper for the PSC.

9 MS. CABRASER: Good afternoon, Your Honor.
10 Elizabeth Cabraser for the PSC.

11 MR. BRANCH: Turner Branch for the PSC, Your
12 Honor.

13 MR. SHELQUIST: Rob Shelquist for the PSC, Your
14 Honor.

15 MS. BRANCH: Margaret Branch for the PSC.

16 MS. GEOPPINGER: Jean Geoppinger for the PSC.

17 MR. HOEFLICH: Good afternoon, Judge. Adam
18 Hoeflich for the Bayer defendants.

19 MS. WEBER: Good afternoon. Susan Weber for
20 Bayer.

21 MR. SIPKINS: Good afternoon, Your Honor. Peter
22 Sipkins for Bayer.

23 MR. MARVIN: Good afternoon, Your Honor. Douglas
24
25

1 Marvin for Bayer.

2 MR. MAGAZINER: Good afternoon, Your Honor. Fred
3 Magaziner for GSK.

4 THE COURT: Good afternoon to all of you. I do
5 have time limitations. I have a jury coming back. I am in
6 trial.

7 MR. ZIMMERMAN: How long do we have, Your Honor,
8 approximately?

9 THE COURT: I want you out of here by 2:00.

10 MR. ZIMMERMAN: Your Honor, may it please the
11 court. This is our first appearance before the court since
12 the impasse in Miami.

13 The PSC was disappointed with what came out of
14 Miami because we put a lot of effort into it and we thought
15 the court had obviously put a lot of resources and everyone
16 put a lot of time into trying to get to some better place
17 within this litigation to resolve what's left. We didn't do
18 that.

19 The time has come, I think, in this litigation,
20 Your Honor, to look at and propose to the court some new
21 alternatives or some alternatives to getting us through the
22 process and getting us to the end.

23 We did that in our proposed case management
24 proposal. It was called a comprehensive case management
25 proposal, which we put before the court immediately after

1 Miami.

2 Step one of that process was to look at the data
3 we had, the data that's already in place, the data we shared
4 with each other in Miami and to see what we can do with that
5 data to try and advance the ball. That's our view of the
6 world.

7 Rather than looking for perfection and getting
8 through the entire categorization process at the cost and
9 expense of what we have already been doing, we thought -- we
10 think we can take the 1,200 cases we have now and take a
11 look at them and see what we can do, employ what mechanisms
12 we can employ to try and see if that will form a template
13 for how to resolve litigation going forward.

14 In the meantime we submit we should hold 114, 127,
15 and 131 in abeyance to see what we can accomplish with the
16 1,200 cases that have already been fully vetted by both
17 sides.

18 If we can do something, great. We really will
19 then accomplish something and we will have a template to go
20 forward with perhaps more pace and more deliberate speed.

21 And if we can't do something, if it just won't
22 work, nothing we can employ will get us there, then we
23 don't -- we should take another look at the 114, 127, and
24 131 process to see if it's really going to advance the cause
25 of this MDL.

1 I'm not saying it will, I'm not saying it won't,
2 but at least we should look at what we have before we
3 continue the process going forward and that's the gravamen
4 of what we seek. What I really ask the defendants to tell
5 me in their argument today is why that isn't the right thing
6 to do.

7 Defendants have declared that they want to settle
8 serious injury cases. They have said it in their briefs in
9 these proceedings today. They have said it many times, that
10 we are off this question that we only want to settle rhabdo,
11 but we want to settle serious injury cases. Their previous
12 position was only rhabdo. Now we are on to serious injury.

13 But we haven't made any progress, Your Honor, in
14 trying to resolve serious injury cases, trying to decide
15 what is a serious injury case, trying to decide what the
16 compensation levels for serious injury cases may be.

17 The PSC concludes from that that it's hard to rely
18 on that representation being true or that representation
19 being the desire when there's nothing to support it other
20 than coming back to us and saying, We need more information,
21 the information you have is not very good, the information
22 you have is not reliable, the information needs to be
23 supplemented. Even though Special Master Remele says these
24 reports are adequate, they don't feel they're adequate and
25 they want to take that up on appeal.

1 We believe that the cases could be and should be
2 resolved, but under the mechanisms that we currently have in
3 place, time is just simply working against us. Recall, Your
4 Honor, the purpose of these orders was to help the court --
5 and it was a courageous step; everyone says this is a big
6 courageous step that we took -- it was to help the court
7 categorize cases for resolution and/or trial.

8 There's a lot of ways we've said it. There are
9 four subparagraphs and there's all kinds of language in the
10 order, but the basic bottom line was to categorize cases,
11 understand what we have left in the MDL and come up with
12 mechanisms, ADR, trial, summary jury trial, mediations,
13 discussions, anything at all, to try and get us to resolve
14 those cases that we haven't at this point been able to
15 resolve any of.

16 We believe, the PSC believes we stepped up, took
17 the hard step and did what we were supposed to do at least
18 through today. The defendants have stepped up and said,
19 Nothing you do, PSC, is enough.

20 In fact, the serious injury cases that we know
21 about, because this chart was provided to us in Miami, those
22 cases still remain unresolved and there's no movement
23 forward to try and resolve them. In our view, Your Honor,
24 this puts the MDL at a standstill. We're captive in the
25 MDL. The cases are not moving.

1 We've got the defendants squeezing the pile down
2 by asking for more and more and more information and never
3 being satisfied with the information that's provided, and
4 you have the plaintiffs being knocked off one after another
5 after another each time they can't comply with some
6 requirement that we've put before them.

7 Now, some of them should be legitimately dismissed
8 and I'm the first to admit it. I'm the first to admit that
9 we have a system whereby lots of filings get made and they
10 have to be narrowed down to the bulk of what is important.

11 But it seems to me, Your Honor, before we have the
12 perfection within what's left, we should try and resolve
13 what we know is in there to prove to ourselves that we can
14 get resolution of what's left.

15 Because if all we're going to do is squeeze this
16 pile down to what is causally related and what meets the
17 test of adequate disclosure and adequate causation and then
18 send it back to the district of its origin, we haven't
19 accomplished a whole heck of a lot.

20 Because when you go back to the district of
21 origin, all that case specific stuff has to be redone. All
22 that case specific stuff will be done closer to trial in a
23 trial context where the Rule 26 reports that are being filed
24 here will be of no value. Your Honor, I submit the
25 situation is manifestly unfair and really counterproductive

1 to what we were trying to set up before this court.

2 My belief was we would have a large group of cases
3 for which we could discuss various ways to get us answers as
4 to how to resolve them, and at the end of that process in
5 good faith we would sit down and do just that. The impasse
6 in Miami taught me that we're not there and we're not going
7 to get there with just the data that the 114, 127, and 131
8 process is going to provide.

9 We have heard the defendants' rejoinder. It's not
10 good enough. It's not strong enough. We don't buy it. We
11 don't think the categories are right. There's something
12 wrong with everything that we've done. If that's the case,
13 Your Honor, and it's clearly what they've said, why
14 continue? Why not deal with what we have and see if that
15 creates movement?

16 The PSC has set out a series of ideas, Your Honor,
17 in its case management proposal. We have talked about class
18 trials of issues. We've talked about group trials. We've
19 talked about summary jury trials. We have talked about
20 mediation. We have talked about focus groups. We have
21 talked about class issues being resolved. We've talked
22 about face-to-face settlement negotiations.

23 Each and every one of those, Your Honor, has been
24 dealt with with the same response, no, no, no, no, no. It's
25 always rejected. Completion of this process beyond where we

1 are today is not going to change that answer in our opinion.

2 The manual states -- the manual for complex
3 litigation states that these ADR procedures, test cases and
4 et cetera may be scheduled and conducted while holding other
5 cases or claims in abeyance.

6 Why not do that now? Why not shift gears a little
7 bit, take the 1,200 that we have, see what we can do with
8 them and see if that changes the mix, changes the dynamic,
9 gets the ball rolling?

10 Defendants have spent a lot of time attacking the
11 plaintiffs' lawyers. Remember those class action lawyers,
12 those lawyers that advertise, all that finger pointing about
13 the integrity of what we do as lawyers.

14 They've attacked the rulings of Special Master
15 Remele, saying that the reports of Danny Becnel and I forget
16 the name of the doctor were inadequate. They have attacked
17 the credibility of the reports and they have attacked the
18 plaintiffs themselves; these people are malingers, these
19 people are phonies, these people don't have injuries related
20 to Baycol, whatever.

21 I submit, Your Honor, we've got it all wrong.
22 Bayer made the bad drug. Bayer is the one that lied to the
23 people. Bayer is the one that's paid \$1.2 billion and
24 moving forward. Bayer is the one that bears the
25 responsibility. The plaintiffs simply have come forward and

1 made a claim for which they're entitled to make.

2 We don't know when a claim comes to our office,
3 because of the system that we have in place in American
4 justice, how good that case is. Bayer didn't go out and
5 say, Ladies and gentlemen, if you've got a prescription for
6 Baycol, you should see your lawyer or you should see your
7 doctor. The plaintiffs have to pick up -- have to jump into
8 that abyss and say, Folks, there's a bad product out here
9 called Baycol. It's hurt a lot of people. If you're one of
10 them, you may have a claim. Come forward. And that's what
11 they did.

12 But in the process the plaintiffs' lawyers get
13 demeaned for that. The plaintiffs' lawyers become the ones
14 that are trying to fill this court with bad cases; and
15 that's not what's happening.

16 We have 1,200 very good cases that we should start
17 taking a look at and not demeaning the process or the cases
18 that have gone away, because when those people brought those
19 cases to their lawyers they didn't know that much about them
20 and they had to protect the client and protect the statute
21 and file a claim in an ongoing train that was going to leave
22 the station potentially without them.

23 We've got injured people here, Your Honor, that
24 deserve justice. Bayer cannot stand back and call the
25 kettle black. They hurt the people. They are responsible

1 for compensating the ones that are seriously injured. And
2 other than rhabdo, not one seriously injured person has been
3 compensated.

4 The process of 114, 127, and 131 has worked well.
5 It has given us 1,200 cases for which we can wrap our arms
6 around and try and resolve. It is a burden. It's
7 inappropriate now, it's not necessary to get through that
8 entire process before we resolve or attempt to resolve the
9 cases we have.

10 And if we can't resolve them and if the Bayer
11 mantra is the same, we will not pay for anything further,
12 fine. Let the cases go where they need to go for ultimate
13 resolution.

14 So in conclusion, Your Honor, categorization was a
15 good idea. It will aid the process of resolution, but only
16 if the people want to resolve them. If not, it isn't going
17 to aid in the process of resolution, we need to change it.

18 ADR was to be utilized to help us get to the end.
19 It hasn't been utilized. It should be utilized. Bayer
20 opposes all kinds of ADR. They like the status quo. Why?
21 Because the process is working for them. The status quo is
22 comfortable. The status quo is a victory. The status quo
23 creates attrition.

24 We are locked in. We can't go anywhere. We need
25 to be able to go somewhere. And to make us continue the

1 categorization process when there's no reason to believe
2 it's going to get us where we need to get is wrong, Your
3 Honor, and we should be able to let these cases go back to
4 the jurisdictions where they came from to be resolved.

5 If the categorization will work and will help us
6 resolve cases, I will spend day and night and night and day
7 to try and do that. That's not what's happening, Your
8 Honor.

9 We need to move, change, and be creative to get
10 this MDL moving again; and that's what I am here to ask the
11 court to do and take another look at the purpose of these
12 PTOs, whether it's getting us where we want to go, and
13 because it isn't to change it.

14 Thank you.

15 THE COURT: Let me ask you a question dealing with
16 that last aspect.

17 Certainly I understand, number one, the
18 categorization process that we put in place in this matter,
19 in this MDL, was remarkable and was serving the purpose of
20 categorizing the cases that were in the MDL and hopefully
21 moving to see whether or not there were any serious cases
22 that the defendants were to be interested in resolving.

23 The information that is being tendered to the
24 court by plaintiffs is that the process has gotten out of
25 hand and is very expensive; and even if the categorization

1 process is completed and no money is placed on the table,
2 these cases are going to be transferred back to their
3 original jurisdiction and they will have to go through the
4 whole process again and that's double -- a double whammy for
5 the plaintiffs. Is that my understanding of what you are
6 saying?

7 MR. ZIMMERMAN: Yes. I would add a few things to
8 that, but that's exactly what I am saying, Your Honor.

9 THE COURT: All right. And if I am adding cost to
10 the plaintiffs in the sense that if I do send these back
11 to -- at some point, at a later point after the
12 categorization process has gone through, those cases still
13 would have to jump through another hurdle back at their
14 jurisdiction dealing with Rule 26s and other expenses and so
15 this MDL and what I have done will have penalized the
16 plaintiffs. Is that what you are saying?

17 MR. ZIMMERMAN: Yeah. They have to repeat that
18 process in the transferor court because that report that's
19 going to connect the Bayer product, Baycol, to the injury is
20 not the report that's going to be relied on at trial to get
21 that case to a jury. It's going to be too old. It's too
22 summary. It's not based on all the things you would want to
23 do if you were putting your case up for trial.

24 THE COURT: Then the next aspect of it. Again I
25 commend the defendants for resolving the vast majority of

1 the rhabdomyolysis cases and the death cases for over
2 \$1.2 billion. However, if I have heard them correctly,
3 they're not going to pay a penny for anything else, other
4 than rhabdo cases.

5 MR. ZIMMERMAN: Well --

6 THE COURT: And if that's the case, going through
7 the briefing schedule of class certification, would you just
8 make a motion to send all these cases back?

9 MR. ZIMMERMAN: Sure. You have one chance to send
10 them back. I mean, once you start sending them back and you
11 break this thing up, every opportunity for an MDL end game
12 is lost. I mean, we all know that. We're not -- so it's a
13 last resort.

14 We would like to keep it together to resolve
15 cases, but you're right, Your Honor, if under no
16 circumstances will even serious cases that aren't rhabdo
17 going to be resolved, then why prolong this process, which
18 isn't going to be the ultimate trier of all those facts,
19 it's going to be the transferor court?

20 Let's get them back there. Maybe that will change
21 Bayer's mind. Maybe they will look at jurisdictions and
22 say, you know, maybe we should resolve these or maybe we
23 will fight them tooth and nail. Right now we are just
24 captive. We can't do anything.

25 THE COURT: Whether or not they resolve them or go

1 to trial, that would not be my concern. It would be that
2 jurisdiction. But if I have accomplished everything that I
3 can accomplish here, why shouldn't I send them back?

4 MR. ZIMMERMAN: I think you should, Your Honor. I
5 mean, I think you should and I think -- unfortunately that's
6 the bottom line if you've done everything you can here to
7 get them resolved.

8 We're not here to prepare those cases for trial,
9 which has somehow become the mantra of the defense, that we
10 have to get through so much more to prepare them for trial.
11 We're not here to prepare them for trial.

12 We're here to do the common discovery, resolve
13 common issues, do the expert discovery, which we have done,
14 so that the plaintiffs have a general causation blueprint
15 and a trial notebook of the evidence.

16 And if they don't want to resolve them here, they
17 don't want to enter into that negotiation here, that's their
18 right. We think they're wrong, but that's their right. But
19 it's our responsibility at that point to let those cases go
20 and let the lawyers that have been retained by the clients
21 resolve them and deal with them on a -- in their local
22 federal court.

23 THE COURT: Thank you.

24 MR. HOEFLICH: Good afternoon, Your Honor.

25 THE COURT: Good afternoon.

1 MR. HOEFLICH: We disagree and we disagree
2 strongly with Mr. Zimmerman's categorization of what's taken
3 place in this litigation to date.

4 It's true that in April of 2002 Bayer announced to
5 the court and then spoke at a conference with the court
6 where we said that we wanted to resolve all of the serious
7 injury cases.

8 It's true that Bayer went out and met not only
9 with the PSC and lawyers working with the PSC, but lawyers
10 throughout the country to resolve every serious injury case,
11 every rhabdomyolysis case that we could find and did so for
12 more than a billion dollars.

13 However, it's not true that plaintiffs have had no
14 chances in this court or elsewhere to put their aches and
15 pains or what Mr. Zimmerman calls the serious muscle injury
16 cases to the test.

17 This court had before it the Long case and five
18 subsequent muscle injury or nonrhabdo cases before it and
19 each time the plaintiffs had the opportunity to make their
20 statement, to put that case forth and put Bayer to the test,
21 the plaintiffs dropped the ball and dropped their case.

22 The court put in place, after significant
23 negotiations between the plaintiffs and defendants and the
24 special masters, Pretrial Order 89. More than 200 cases
25 were prepared for trial, not just by Bayer, but by the

1 plaintiffs. All but two of those cases went away because
2 the plaintiffs dropped them.

3 The process there was more significant than asking
4 a plaintiff's lawyer to analyze their case and put forward
5 what has become a form report. The plaintiff had every
6 opportunity and the PSC had every opportunity to put forth
7 what they claimed were muscle injury cases and under the
8 examination of not only discovery, but the self examination
9 of a looming trial. In each instance the plaintiffs dropped
10 those cases.

11 That's not just the story in the MDL. In
12 Philadelphia thousands of cases have come forth not only
13 through the expert report requirement, but up to trial and
14 each time, with the exception of one, an aches and pains or
15 a muscle injury case has come to trial the plaintiff has
16 dropped it. That would include four recent cases that the
17 PSC had set for trial in March and they dropped all of
18 those, Judge.

19 THE COURT: The difference between the
20 Pennsylvania cases and the MDL cases is that at least
21 they're in their home jurisdictions and under their -- the
22 law of that state those matters could be dismissed without
23 prejudice; whereas, the cases here are being dismissed with
24 prejudice. That's a big difference.

25 MR. HOEFLICH: That's a fair point to make, Judge.

1 The cases in Philadelphia have been dismissed without
2 prejudice. I would note, though --

3 THE COURT: So the MDL participants are being
4 penalized differently than if they were in their home
5 jurisdiction.

6 I don't mean to stop you. I have read your papers
7 and I certainly know the position of Bayer, but my
8 question -- and tell me if I am reading you wrong. My
9 understanding is nothing less than a rhabdo case, no cases
10 that are less than a rhabdo case will be settled, they will
11 be tried by Bayer. And so if that's the case, why shouldn't
12 I send these cases back, allowing them to be worked up in
13 their transferor jurisdiction, and be done with this?

14 Because I have accomplished -- because this is a
15 new way of running an MDL, I think the end game was
16 incorporated in the settlement process. You settled the
17 major, major cases and so what is left are cases that Bayer
18 has looked at, you have done your evaluation, and you feel
19 that plaintiffs are going to have to come forth and make
20 their proof.

21 And if that's the case, I should not be a filter,
22 a higher filter than how a state court would handle it in
23 their own jurisdiction where these cases originally should
24 be. And so the question is, why should I be the penalizer
25 to the plaintiffs?

1 If that's the case, there is not going to be a,
2 quote, unquote, another end game. I see the dynamic of you
3 have made your end game by settling at premium prices the
4 rhabdo cases and the death cases. That's the end game as
5 far as I am concerned.

6 MR. HOEFLICH: If --

7 THE COURT: Let me finish. And there's not going
8 to be the other type of end game that has been in other MDLs
9 where all of a sudden everything comes together and money is
10 paid out, because the strategy that you have laid out that
11 has -- would fall apart if there was some type of money end
12 game here in the MDL. And so if that's the case, these
13 cases should just go back.

14 MR. HOEFLICH: Judge, I believe that the court
15 articulated a broader approach than that that involved
16 considerations of fairness not only to the plaintiffs, but
17 to the defendants and the judicial system as well.

18 First I'd note that these cases would not go back
19 to state courts. These cases were brought -- were removed
20 to federal court under the St. Paul Mercury case. Once a
21 case has been brought to federal court, if the allegations
22 placed it there appropriately, it can't be sent back to
23 state court, not by averment or affidavit or any other
24 method. So these are federal court cases.

25 When the court established the procedures to the

1 MDL, there were two schools of cases and both parties and
2 the court embarked on a two-pronged approach. The first
3 half involved Bayer reaching out and resolving all of the
4 rhabdomyolysis cases, and I believe we have settled more
5 than 2,900 out of approximately 3,000 cases. The second --

6 THE COURT: And again I compliment you. I
7 compliment your companies on taking a forward approach and
8 getting those cases resolved so those plaintiffs could have
9 their cases resolved in a timely manner, and I compliment
10 you on that.

11 MR. HOEFLICH: The second prong involved the PSC
12 reaching out for a broad variety of cases. They settled the
13 good ones, but they also reached out a broad net to reach a
14 host of other cases from across the country.

15 And at the same time that the defendants and the
16 court were resolving, in part through this court's program,
17 the rhabdomyolysis cases, we put forth a system that would
18 give the defendants the opportunity to engage in discovery
19 and other mechanisms to test cases that were in federal
20 court.

21 And the court articulated a policy early on that
22 it wasn't going to take thousands of cases or ten thousand
23 cases or ten thousand plaintiffs that were brought here and
24 then send them back to district courts throughout the
25 country before the cases were in trial ready shape.

1 We are now in a position where the Plaintiffs'
2 Steering Committee has been paid many, many millions of
3 dollars in fees in the rhabdomyolysis cases and it's time to
4 do what we originally agreed to do in March of 2002, take
5 that position -- uncover what is behind those cases.

6 I have read -- as the court knows, I have looked
7 at the Category B cases. We have more than 11,000 cases
8 which, from what Mr. Zimmerman said earlier, they don't know
9 what the merits are of those. They haven't looked at the
10 files. That's certainly what it sounds like, and we know
11 that from other plaintiffs' lawyers as well.

12 In fairness not only to the defendants, but to the
13 other courts throughout the country, before these cases
14 leave the MDL the plaintiffs should have to unwrap the
15 binders, look at the documents, and announce whether these
16 are cases that involve what Mr. Zimmerman say they involve,
17 serious muscle injury cases.

18 When we came before the court in February -- in
19 December and then in February of last year, Mr. Zimmerman
20 said he wanted to separate the wheat from the chaff; and the
21 court embraced that concept not just because that helped
22 Bayer, but because that helped the court and that helped the
23 transferor courts.

24 These cases shouldn't go back to transferor courts
25 on the hope that one of a host of different procedures can

1 be embraced that would deprive Bayer of its rights. We know
2 from the --

3 THE COURT: I know of no state that would try
4 to -- has procedures in place that would deprive defendants
5 of their rights.

6 MR. HOEFLICH: Well, Mr. Zimmerman has said that
7 he would like to send it back to, I believe one of the
8 jurisdictions he mentioned -- well, it doesn't matter which
9 jurisdiction, but he said he would want to propose group
10 trials, other summary jury trials in different
11 jurisdictions.

12 THE COURT: What other jurisdictions do to handle
13 the cases, that doesn't mean that that's a violation of
14 defendants' rights. It's just like I could have group
15 trials here if I wanted to. They have been in federal court
16 too.

17 So I'm not sending them to Iran. I am sending
18 them back to the transferor jurisdictions who have policies
19 and procedures and due process for both the plaintiffs and
20 defendants.

21 MR. HOEFLICH: The burden on that court, Judge,
22 would be enormous. For example, there would be more than
23 1,100 plaintiffs that would go back to Louisiana and those
24 cases would be completely unvetted.

25 Now, the court set a process in place more than a

1 year ago, in fact, more than two years ago where the cases
2 would be vetted here and then when they went back the
3 Daubert motions would take place. Under PTO 114 and PTO 131
4 and PTO 127 the cases would be narrowed, Daubert motions
5 would take place, the cases would be ready for trial.

6 The way the process would work if the MDL were to
7 end now, the cases would be going back without Daubert
8 motions, without fact discovery, without plaintiffs having
9 even looked at the case to see if they had any merit.

10 And the district courts, which haven't been set up
11 to handle an MDL, could conceivably have a thousand-plus
12 plaintiffs where they would have to engage in all of those
13 procedures that appropriately were set forth to be done
14 here. We think that's the more appropriate course.

15 Mr. Zimmerman stood before the court more than a
16 year ago and said that as the leader of the Plaintiffs'
17 Steering Committee he wanted to endeavor and his colleagues
18 wanted to endeavor to separate the sea of aches and pains
19 cases, which by all accounts still exist, from what he
20 believes are the serious muscle injury cases.

21 PTO 114 is in place to allow the plaintiffs'
22 lawyers to examine their file -- without burdens on all the
23 district courts throughout the country -- to have plaintiffs
24 examine their cases, decide what cases they want to file
25 reports on, to file reports on those cases for the parties,

1 including the defendants, who have spent millions of dollars
2 on categorizing those cases into different categories.

3 And while there's enormous variations within the
4 categories, it does give us information to work with the
5 special masters to break the cases into categories, to see
6 what the plaintiffs will claim are the serious muscle injury
7 cases, to subject that to Daubert hearings, and then to test
8 the cases to see whether, in fact, the cases have any value.

9 I think by all accounts the majority of the filed
10 cases don't have value and they are going to go away, and
11 there's no reason that there are districts in 50 different
12 states that should deal with that.

13 The court set forth an appropriate procedure and
14 we have efficient mechanisms in place. We're not talking
15 about taking several years doing this. The first wave of
16 PTO 131 reports was due on January 28th.

17 I think of not only we, but think about the
18 plaintiffs who have already submitted these reports, think
19 of the plaintiffs who are in front of the court and made
20 decisions based on the court's prior orders.

21 I think that this litigation has been set up to
22 allow the narrowing order and the categorization process, as
23 well as the court's other orders, to take their course, to
24 see if there are cases that need to be tested, to have this
25 court look at those cases and apply Daubert rulings to them.

1 And then once that process has been done, either engage in
2 discussions here or send cases back to the transferor courts
3 for remand.

4 I think that mechanism, which was set up by the
5 court, is the appropriate and the efficient way not only for
6 the defendants, but for the courts throughout the country
7 and, in fact, for the plaintiffs' lawyers to handle the
8 remainder of these cases.

9 THE COURT: Mr. Magaziner.

10 MR. MAGAZINER: Thank you, Your Honor. I will
11 speak very briefly.

12 My vision of the end game is a three-part end
13 game. The first part is Bayer settles almost 3,000 cases
14 for \$1.2 billion, an unprecedented voluntary program by a
15 defendant in a case like this.

16 The second part of the end game is through fair
17 requirements that the court has imposed on plaintiffs'
18 lawyers, requirements that courts routinely impose on
19 plaintiffs in individual cases, many, most, almost all of
20 the remaining cases go away because when the plaintiffs'
21 lawyers are required to take a good hard look at the cases,
22 they see most of these cases have no merit and have no
23 value.

24 And the third part of the end game is the small
25 number of cases that might then be left that Bayer was not

1 willing to settle as rhabdo cases and that plaintiffs still
2 think have merit or value.

3 That small number, if no resolution can be reached
4 here, get remanded to the district courts in the 50 states
5 where those cases came from and the district courts then put
6 in place whatever procedures they think appropriate to
7 resolve those cases, probably by trial, maybe by summary
8 judgment, whatever.

9 But there are three parts to this, the settlement
10 of the most serious injury cases; the separation of wheat
11 and chaff in all the other cases; and then the remand of the
12 wheat, if you will, to the district court.

13 But the remand that I am envisioning is of a very
14 small number of cases which plaintiffs' lawyers still think
15 have merit and value and that Bayer thinks ought not to be
16 compensated, rather than the remand that Mr. Zimmerman is
17 envisioning, which is all of the cases not separated into
18 wheat and chaff, most of which we all know have no value and
19 no merit.

20 I would hope the court will keep in place the
21 narrowing orders because they have worked so well to date.
22 I am sure Susan or Adam can provide the numbers, but the
23 number of cases that have disappeared from your court's
24 docket as a result of these simple requirements imposed on
25 plaintiffs' lawyers are staggeringly large numbers.

1 This MDL is making more progress than any other
2 MDL I have ever heard of in getting rid of cases that have
3 no merit and no value; and it would be a shame, I think, to
4 abandon these tried and true and effective protocols that
5 Your Honor has put in place before they have accomplished
6 all that they can accomplish.

7 Thank you, Your Honor.

8 MR. ZIMMERMAN: Your Honor, if you are going to
9 define success by creating barriers to the courthouse and
10 making people jump through hoops and if they can't jump
11 through hoops their cases go away, yeah, you have had
12 success with that. If you define success as \$1.2 billion,
13 you can define success --

14 THE COURT: Let me stop you. The process that we
15 have was a process that you stepped up and put forth to the
16 court, and part of that was to see what was left and also to
17 see if those cases would be settled.

18 Mr. Magaziner has stood up and it's clear from
19 Bayer's position that even when we get the core cases,
20 they're not interested in settling those cases. So whether
21 or not all these other things, why should I not send these
22 cases back?

23 MR. ZIMMERMAN: You should. Simple answer, you
24 should. If their position is as stated, that they will not
25 settle them now, they will not settle them later, we are in

1 an exercise in absolute futility and we should send them
2 back now. It's not fair. It's not right. We are holding
3 them hostage and they're not going to change their mind.

4 If they would change their mind, they could show
5 it with the 1,200 cases that we've got out there right now.
6 Tell us how we can resolve those 1,200 or a piece of those
7 1,200. But they ain't going to do it, Your Honor.

8 So getting them from 1,200 to 3,000 or whatever
9 the number is, it is going to be the same answer, let them
10 go now. Let the courts deal with them as they must and let
11 Bayer deal with them wherever they came from. But it's not
12 fair to hold them hostage here, Your Honor.

13 THE COURT: Okay. I am ready to rule. The court
14 will stay in abeyance Pretrial Orders 114, 127, and 131.
15 One month from today's date I want briefs from both sides --

16 THE CLERK: March 11th.

17 THE COURT: -- March 11th, on the reasons why
18 these cases should or should not go back to the transferor
19 court.

20 MR. ZIMMERMAN: Simultaneous briefs, Your Honor?

21 THE COURT: Simultaneous.

22 MR. ZIMMERMAN: On March 11th?

23 THE COURT: March 11th.

24 MR. ZIMMERMAN: Thank you, Your Honor.

25 THE COURT: Thank you.

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(Court adjourned at 1:45 p.m.)

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I, Lori A. Simpson, certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

Certified by: Lori A. Simpson, RMR-CRR

Dated: February 14, 2005