UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

In re: Baycol Products
Litigation

This Document Relates to:

Edna Dempsey vs. Bayer
Corporation, et al.

Minneapolis, Minnesota
September 25, 2006
1:30 p.m.

BEFORE THE HONORABLE MICHAEL J. DAVIS UNITED STATES DISTRICT COURT JUDGE

(MOTIONS HEARING)

APPEARANCES

For Plaintiff Edna MICHAEL ROTHMANN, ESQ.

Dempsey:

For the Plaintiffs' RICHARD LOCKRIDGE, ESQ.

Steering Committee:

For Defendant Bayer: JAMES MIZGALA, ESQ.

For Defendant FRED MAGAZINER, ESQ.

GlaxoSmithKline:

Court Reporter: LORI A. SIMPSON, RMR-CRR

1005 U.S. Courthouse 300 South Fourth Street

Minneapolis, Minnesota 55415

Proceedings recorded by mechanical stenography; transcript produced by computer.

1 PROCEEDINGS 2 IN OPEN COURT 3 THE CLERK: Multidistrict Litigation 1431, In re: Baycol Products. Please state your appearances for the 4 5 record. MR. LOCKRIDGE: Your Honor, Richard Lockridge here 6 on behalf of the PSC. 7 THE COURT: Good afternoon. 8 9 MR. ROTHMANN: Michael Rothmann, R-o-t-h-m-a-n-n, 10 on behalf of Plaintiff Edna Dempsey. 11 THE COURT: Good afternoon. 12 MR. MIZGALA: James Mizgala on behalf of Bayer. 13 Good afternoon, Your Honor. 14 THE COURT: Good afternoon. 15 MR. MAGAZINER: Fred Magaziner on behalf of 16 GlaxoSmithKline. THE COURT: Good afternoon. 17 18 MR. MAGAZINER: Good afternoon, Your Honor. 19 THE COURT: You may proceed. 20 MR. ROTHMANN: Good afternoon, Your Honor. 2.1 is a motion to compel, as you're aware. This is our motion 2.2 to try to obtain records from GlaxoSmithKline. 23 We're seeking records related to specific sales 24 representatives and detailers as to what they reviewed, what 25 they were trained on, and what they promoted and used to

1 promote Baycol to the prescribing physician, Dr. Bailey. GlaxoSmithKline has objected to producing those 2 records and instead has indicated to us that we should look 3 at the over 1 million documents, as they indicated in their 4 responses, that have been produced so far. 5 In discussions with counsel they've indicated, 6 GlaxoSmithKline has indicated that they don't know -- they 7 haven't spoken to the detailers, their sales reps, so they 8 don't know exactly what records were reviewed by these 9 10 people and what was produced to or shown to the doctor. 11 Our contention is that, well, talk to the sales 12 reps, find out what they reviewed and what they may have produced or used to detail Baycol, and then answer the 13 14 discovery requests. That has not occurred. 15 So we believe that the training records, the 16 records that discuss what --THE COURT: Can the detailers for -- is it 17 18 Dr. Bailey? Have they been identified? 19 MR. ROTHMANN: They have been identified and that 20 is why we brought our motion to quash and motion to first 2.1 deal with these written discovery issues before we take 2.2 their deposition, because one of them is in New Jersey. 23 THE COURT: Right.

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MR. ROTHMANN: We don't want to have to take their deposition, find out that they have reviewed documents or

that they know of documents but they can't recall, and then have to take another deposition and go back out there and try to figure out what records they did review.

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We also don't want to show up -- especially with a four-hour time limit, we don't want to show up with thousands of documents and say, Okay, is this one of the sales representative training manuals that you reviewed, is this a brochure that you may have produced or shown to Dr. Bailey? That will take hours. And I think for efficiency and time expediency that it's GSK's job to properly answer discovery, to do that before the depositions have proceeded.

Furthermore, Bayer has produced disks which have discussed the training that the representatives have undergone. There are thousands and thousands of documents, I spent a week going through them, but obviously less than the millions of documents that have been produced.

Even though they produced those documents, they still don't -- they don't show what the sales reps, the specific sales representatives, what training they had, which seminars they appeared at or were attending, what training education classes they may have had, which would help me then be able to locate the date of the document and then put the two together.

So the documents that have been produced so far do

not produce that information or show that information to me, which puts it again in the hands of the Defendants to be able to give me those answers. It's in their custody.

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In terms of the personnel records, they are relevant to this case because in numerous depositions of the higher-ups in management of GSK and Bayer they discussed the testing that goes on, the continuous testing to make sure that these sales reps know what they're talking about when they go out to detail Baycol.

It talks about the call logs for when doctors call and ask questions or phone records or summaries of what the doctors and the sales reps have discussed regarding Baycol.

None of that documentation has been produced to us and we need those in terms of -- we asked for them and they haven't been produced.

This is relevant because what they -- the sales reps are not just going to come in and give the doctor a pamphlet. They're going to -- the doctor may ask questions and the sales reps are going to have to answer.

So we want to know whether or not these sales reps knew the risks, were testing well enough to be able to explain the risks of Baycol, and whether or not in these call logs and these surveys whether or not these issues were being brought up to these sales reps, which then would provide -- put them on notice, more so than the evidence we

already have, that Baycol had a higher risk of rhabdomyolysis than the other statins.

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It goes to our causes of action regarding the Consumer Fraud Act, our intentional torts, our negligence and false advertisement. All these requests go to be able to help us prosecute those issues.

The bonuses and incentive plan, that specifically would relate toward our intentional torts. The more the detailers sold Baycol, the bigger their bonus, which means that they may have been decreasing or lessening the amount that they were telling the physicians of the risks, comparing Baycol to other statins. So that would go toward our intentional torts.

In sum, we're asking this Court to order

Defendants to identify the records and materials that the representatives reviewed in the training, their sales training, and what they supplied to the doctors.

We ask that the personnel files be produced, specifically but not -- and including call logs, phone directories, surveys, incentive bonus documentation, any accommodations or disciplinary documents.

And this may go -- this may show that a doctor could have been calling Glaxo or Bayer and saying, Your detailer doesn't know what she's saying or he's saying.

Your detailer is saying one thing, but I know this is not

true. So that may be relevant.

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A list of seminars and training, that would help us try to narrow down what has been -- what they have reviewed and trained on.

The depositions I've reviewed so far from other sales reps, every one says, I don't remember, I don't remember, I don't know, I don't know, I don't know, I don't know. And we need to be able to either refresh their recollection, impeach them if they say things that are contrary to what they're saying, or confirm what they're saying.

If the representatives review any records prior to deposition, we ask that the Defendants bring the records to the deposition just in case that they would need to be -- their recollection has to be refreshed; and if any privileges are being sought on those documents, we ask that a proper privilege log be produced.

And also, as our motion indicates, that we have asked that the deposition of Dr. Bailey and the representatives be extended so we can first -- we can finish this dispute, which then would push back also our -- we would like to then supplement our expert's opinions and give the Defendants time to respond and then us time to take their deposition.

We have completed all the treating physician

1 depositions so far, about 10 to 12 depositions in this case. 2 So this would be the last thing that has to be done. 3 Thank you. THE COURT: Thank you. You should have scheduled 4 this down in Chicago on Arlington Million weekend. 5 MR. ROTHMANN: Next time. 6 7 MR. MAGAZINER: Good afternoon, Your Honor. THE COURT: Good afternoon. How are you, sir? 8 9 MR. MAGAZINER: I'm well. Thank you, Your Honor. 10 I'm happy to be back in this court. It's been a while, I 11 think. 12 THE COURT: It has been. 13 MR. MAGAZINER: I would like to respond to 14 Mr. Rothmann's specific request, but I would first like to 15 put this in perspective because I think it's important for 16 Your Honor to appreciate why it is that after five years of litigation one plaintiff's lawyer has decided that GSK has 17 18 not been responsive and has brought this motion to compel 19 and put this in perspective of the entire five years of 20 litigation. 2.1 As Your Honor knows, there have not been previous 2.2 No other plaintiffs' lawyers have thought that we motions. 23 have been anything other than fully responsive. We have had this one dispute here, which has now reached Your Honor. 24

Mr. Rothmann's complaint and the discussions, the

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correspondence we have had, I think, manifests a failure to even try to understand what GSK's involvement was with Baycol and what GSK's position is in the litigation.

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The complaint alleges all sorts of things which are indisputably false, such as GSK manufactured Baycol, that GSK distributed Baycol, that it sold Baycol, that it created Baycol, designed Baycol, tested Baycol, labeled Baycol, packaged Baycol, supplied Baycol.

Mr. Rothmann alleges GSK did everything that Bayer did; whereas, all the lawyers who have been in this litigation since the outset know that that is completely untrue. GSK had only certain involvement here.

After Bayer had invented the Baycol molecule, cerivastatin, and tested it in animals, after Bayer had tested it in human beings, after Bayer applied for a license to sell Baycol in the United States, after the FDA approved Bayer's new drug application permitting Bayer to sell Baycol in the United States, only after all those things have happened did Bayer then contract with GSK for assistance in promoting Baycol.

And GSK's role in promoting Baycol was to make sure that when its salespeople went -- that was my BlackBerry, I'm sorry -- when GSK's salespeople were promoting Baycol -- or promoting GSK's drugs to physicians, they also mentioned Baycol.

Bayer retained the sole responsibility, if you look at the co-promotion agreement, the sole responsibility for making sure that everything complied with the FDA law rules and regulations regarding the safety of the drug.

Bayer had the sole responsibility for communicating with the FDA. It was Bayer's sole responsibility to write the Baycol label.

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What the GSK sales reps had to do is make sure they promoted Baycol to doctors in accordance with the Baycol label and did not go off saying things that were not part of the official FDA approved package insert or label. It's because of that that in this litigation, as Your Honor well knows, we have had such a very minor role.

Your Honor may remember about a year after the litigation began we furnished to Your Honor and to all the plaintiffs' lawyers involved in Baycol a copy of the agreement between Baycol -- between Bayer and GSK in which it is stated that Bayer will maintain responsibility for paying any judgments, 95 percent of any judgments, and for any settlements, that is, 95 percent of all settlements. This has basically been Bayer's litigation, as Your Honor well knows.

We now come to Mr. Rothmann's request of GSK.

There is no evidence, no evidence or shred of evidence of any kind in this case that is different from the evidence in

all the other thousands of cases in which GSK and Bayer were named. There's no evidence that anything improper or inappropriate happened here between the GSK sales reps and the doctor.

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As a matter of fact, of the 133 doctors who were deposed in Phase I under PTO 149 that have been deposed in this last six months, to my knowledge not one doctor has testified that a GSK sales rep said anything the least bit improper, out of the ordinary, inconsistent with the label.

No doctor has said that and there has been no evidence in all the depositions taken of GSK's sales reps to date that any GSK sales rep has ever did -- ever did anything improper in detailing Baycol to any doctor.

Mr. Rothmann now says he needs to have a whole raft of discovery related to these GSK sales reps, but it's a pure fishing expedition. It serves no purpose, no purpose, Your Honor, other than perhaps to try to pressure GSK into settling this rhabdo case.

And I will tell Your Honor this is one of 15 or so rhabdo cases left. If it's going to be settled, it's going to be because Bayer and Plaintiff agree to an amount. Bayer has been trying to settle it. It hasn't settled yet.

Mr. Rothmann apparently thinks by propounding a lot of discovery against GSK somehow that's going to promote this towards settlement, but it will not. It's not our case

to settle. It's Bayer's case. If Bayer thinks Plaintiff's demand is fair, it will settle. If not, it won't.

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Mr. Rothmann asks for all the detailing pieces, the promotional pieces that the GSK sales reps used and wants us to tell him which ones a particular rep used with this particular doctor.

As I've explained, it's in the papers and I have explained it by telephone as well, we do not have within our corporate knowledge any way of answering that question. We don't have any records that show which particular promotional piece a sales rep gave to a doctor. We don't have anyone -- any officer or managing agent of the company who would know that.

We have a bunch of approved promotional pieces.

They are the same approved pieces that Bayer's sales reps used. They were all approved by the FDA. We gave them to sales reps and we said to them you can use these with doctors, but we have no record of whether a sales rep did or did not use a particular promotional piece with a doctor.

Mr. Rothmann says, well, we have to go to the sales reps and interview them and find out. That's a completely new concept of discovery as I understand it. We as a corporation are required to answer interrogatories about things that are within our corporate knowledge, but I'm not familiar with any case law or rule that says we have

to go and interview employees to find out what they personally know when we have no corporate knowledge of it.

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If Mr. Rothmann wants to find out about what sales reps gave to doctors in the unlikely event that any of these sales reps remember what they gave to a particular doctor five, six, seven, or eight years ago, Mr. Rothmann can depose the sales reps. He can depose the doctors.

We have told him the dates on which we produced the documents that contain the promotional pieces that we made available to sales reps. We've told him the dates so he can track this within the PSC database. The dates on which we produced the training materials, which are essentially the same as the Bayer training materials, he can track those. But we have no corporate records that would allow us to answer his question of did sales rep X give a particular promotional piece to Dr. Bailey.

Mr. Rothmann now wants all the personnel files, every document in the company's files that mention these sales reps. But for what purpose? There's no suggestion in the record in this case that this is any different from any other case.

There's no reason to believe that these sales reps said to Dr. Bailey anything they shouldn't have, that they deviated from the label, which is their guideline, their bible in the words of one of the GSK's executives, in

deciding what they can and cannot say to a sales rep [sic].

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No reason to think they did, but Mr. Rothmann in a fishing expedition says I want to see everything there is about this rep because maybe I will discover something that would allow me to somehow argue that maybe a rep said something wrong to the doctor.

I've said if there is any evidence after you depose the doctor that the rep said something improper, I will give you a second bite at the rep, a second deposition of that rep, and we will then go and produce materials from our files about that rep, but let's first find out whether there is any reason at all to suspect that a GSK sales rep said something improper to this doctor.

The position I just outlined has been good enough for every other plaintiff's lawyer in the country through thousands and thousands of Baycol cases, but Mr. Rothmann says it's not good enough for him, he wants to fish around, see what he can find about these reps, maybe find some dirt about these reps somehow which will somehow lead to something that will be useful to him, but I don't know in what way.

We would ask the Court to deny his motion to compel. I'm happy to turn over to Mr. Rothmann something he didn't even ask for, which is the very minimal call notes we have from the sales rep.

1 The other plaintiffs' lawyers have said let us see 2 the call notes that the sales reps create after they visit a doctor because maybe that will shed light on what the sales 3 rep said. Mr. Rothmann hasn't even asked for that, but I 4 will be happy to give that to him. It's very minimal, it 5 doesn't say much, but he can have it. 6 7 I am happy to have the reps deposed, and then if they need to be deposed a second time because there's some 8 9 reason to think that there was something inappropriate that 10 happened, they will be deposed a second time, but not just 11 turn over the whole corporate file, personnel files, 12 training files, everything in the hope that Mr. Rothmann 13 might find something that would be of some interest to him. 14 THE COURT: Thank you. 15 MR. MAGAZINER: Thank you, Your Honor. 16 Can I say one word, Your Honor? MR. LOCKRIDGE: THE COURT: In a few minutes. 17 18 MR. LOCKRIDGE: Okay. 19 MR. MIZGALA: Thank you, Your Honor. 20 MR. LOCKRIDGE: Sorry. I didn't realize he was 2.1 coming up. 2.2 MR. MIZGALA: James Mizgala on behalf of Bayer. 23 Your Honor, when I showed up today Mr. Lockridge 24 looked at me and said, James, what are you doing here? 25 you have a dog in this fight? And I said no until

Mr. Rothmann got up to speak and he kept referring to Defendants and what he wanted from Defendants.

Your Honor, this motion, as you know, was not directed to Bayer. It was directed to GSK. The only thing he asked for was a certificate of completeness from us and I will represent to Your Honor that we provided that by letter essentially on June 28th. If the Court would like a copy of this, I would be more than happy to hand it up.

THE COURT: Please.

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MR. MIZGALA: On behalf of Bayer, I would respectfully request that any relief offered with respect to Mr. Rothmann's motion be limited to GSK.

Thank you, Your Honor.

THE COURT: Mr. Lockridge.

MR. LOCKRIDGE: Very briefly, Your Honor.

The PSC does support Mr. Rothmann in this matter and I would note that when counsel talks about that this is good enough for all the other attorneys in all of these other cases, the reality is, of course, that virtually all rhabdomyolysis cases settled. This one has not.

And on the muscle injury cases there have been very few of those issues come up because, quite candidly, the muscle injury cases, while significant, there simply isn't a value in those cases to warrant motions like this.

So I think that's one of the reasons why this is

one of the few cases where this has come up, but the PSC does support Mr. Rothmann.

THE COURT: Thank you.

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MR. ROTHMANN: A quick reply. Thank you.

As you're aware, PTO 114 just started. We just started case-specific discovery in May of 2006. So that is why this issue has not come up, and we are one of the 15 -- I guess one of the 15 rhabdo cases that are left.

Our brief did indicate and produced evidence based on what the GSK and Bayer reps -- or higher-ups testified to that GSK did distribute, did have safety -- they had joint teams, development teams. They were required to provide each other with adverse event knowledge and I think it was, not McClung, but King who indicated that they did have some sort of role with safety.

Once GSK knew of the adverse events, they had a duty to advise the physicians that there was an increased risk of rhabdo compared to other statins and so -- I mean, this is just in response to what they were saying in terms of our understanding of this case.

GSK did not have a minor role in detailing

Dr. Bailey. They saw her three and a half times per month

for three years. So their role was very significant in

being able to provide Dr. Bailey with the requisite

knowledge regarding the risks and the safety of Baycol and

whether these representatives knew enough to be able to answer the questions that these doctors -- that the doctors provided is critical in this case.

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Now, as I indicated, case specific just started in May. There is no evidence because, like both counsels have indicated, most of the rhabdo cases have settled. As long as GSK tries to not hide, but not produce the requested materials which are relevant in this case, there will be no evidence.

So by trying to quash or suppress our discovery, they will be successful in making sure that we don't get the evidence that probably will lead to admissible evidence at trial. And if it was not a big issue, then why are they fighting it so strongly if they are not scared of what's in those records?

In terms of -- strike that.

THE COURT: Let me ask you this. Where is the settlement discussions with Bayer dealing with -- if this is a rhabdo case?

MR. ROTHMANN: In April of 2006 we met with John Jackson and another attorney from Bayer in the Chicago office with Sidley Austin at Sidley Austin's office, and we were there for a day and unfortunately we were unable to resolve the case. We had decreased our demand quite significantly. Well, I don't know if you want me to go into

that.

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THE COURT: It doesn't matter whether -- Bayer doesn't want me to try these cases anyway, so it doesn't matter.

MR. ROTHMANN: Bayer really did not come off with what they started with at the pretrial.

So one of the main things is our case is unique in terms of muscle damage to the urinary muscles and the doctors have testified that the rhabdo caused muscle myalgia of the -- which impedes her ability to urinate, so she has to catheter herself and Valsalva's maneuver to urinate. The doctors are indicating that it started on the day of rhabdo and it's related. Plus the science is there to support it because it's skeletal muscle.

So they wanted -- we agreed to take the deposition of the urogynecologist as well as the other physicians to give everyone a better picture of what was happening to this -- to the plaintiff.

So hopefully we will be able to continue to discuss settlement, but I don't think that it's fair for us to depose a representative and a doctor, find out that we will need to depose them again, have the expense of two depositions when it should be done first let's finish the written and do the deposition at one time. I mean, that is what the -- that is how typical discovery, oral and written

discovery, occurs.

They did provide us with the dates that the discovery was produced to the general -- to the Plaintiffs' Steering Committee, but they did not provide any Bates stamp numbers. So I don't know what records in those days that they did produce which are relevant to these issues.

And if -- and that's basically it. I think that they should be compelled.

MR. MAGAZINER: May I have a moment, Your Honor?

THE COURT: Just 30 seconds. I'm in trial.

MR. MAGAZINER: Yes, I understand that, Your

12 Honor.

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I have told Mr. Rothmann we will give him the

Bates numbers, if he wants them, of the training manuals and

of the promotional pieces. What we can't give him is the

answer to his question, which ones did a particular rep use

with this particular doctor, because we don't know that.

But we can show him the Bates numbers of the range of

promotional materials and the range of training manuals.

Mr. Rothmann wonders why this is of such interest to me that I have asked for oral argument and come out to Minneapolis if there's not something bad in these documents. And the answer is there are about 2 ,800 plaintiffs still suing us.

So it is of interest to me when a plaintiff's

lawyer says, wait a minute, I want this whole range of stuff that's never been asked for before. I don't know if Mr. Rothmann is in touch with other plaintiffs' lawyers, but this is of interest to us because this would greatly expand the scope of discovery.

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And then finally, Mr. Rothmann persists in not understanding something very basic that I hope Your Honor does understand and I would be happy to brief this further if you would like. The GSK reps were not permitted by law, were not permitted by law to go say to Dr. Bailey we think Baycol is more dangerous than other statins, we think there are additional risks, et cetera.

The GSK reps were required to talk about those benefits and those risks that were described in the FDA approved package insert and nothing more. It would have been unlawful for GSK reps to do what Mr. Rothmann hopes he is going to prove the GSK reps didn't do.

I will stipulate that the GSK reps did not go to Dr. Bailey and tell her of their own beliefs about the risks involved with Baycol. They did not. It would have been unlawful for them to do that. If that's what this discovery is seeking, I will stipulate that they didn't do that.

THE COURT: Well, thank you for coming to visit me.

MR. LOCKRIDGE: Can I have 30 seconds on a

1	separate issue, Your Honor, literally 30 seconds?
2	THE COURT: Sure.
3	MR. LOCKRIDGE: Your Honor, it's
4	THE COURT: I haven't had a Baycol fix in a long
5	time.
6	MR. LOCKRIDGE: We'll try, then. It has been
7	about a year, I think, since we were back here and I think
8	it might from the PSC's view, it might be appropriate to
9	have a status conference sometime in the comparatively near
10	future.
11	THE COURT: All right. Why don't you e-mail my
12	clerk with some dates that are compatible with the
13	Defendants so we can get it on my calendar.
14	MR. LOCKRIDGE: Thank you.
15	THE COURT: The month of October is going to be
16	very difficult for me because I will be in trial, a trial
17	that I do not want to have interrupted. So the first part
18	of November looks good for me, I think.
19	MR. LOCKRIDGE: We'll talk to Katie then. Thank
20	you.
21	THE COURT: Thank you. I will take this matter
22	under advisement.
23	(Court adjourned at 2:00 p.m.)
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3	I, Lori A. Simpson, certify that the foregoing is a
4	correct transcript from the record of proceedings in the
5	above-entitled matter.
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8	Certified by: Lori A. Simpson, RMR-CRR
9	LOTI A. SIMPSOII, KMK-CKK
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