P.O. Box 835 Charleston, SC 29402

843/723-2208

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THE COURT: Good afternoon.

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First of all, this is the matter of the MDL In Re: Lipitor, 2:14-2502.

Could counsel identify themselves for the record, please.

MR. HAHN: Your Honor, for plaintiffs it's Blair Hahn and Mark Tanenbaum. And we also have Derek Ho, who is a PSC's appellate counsel, and Justin Kaufman is on the phone as well, Judge, who is representing the plaintiffs for the remand issue only.

THE COURT: Okay.

MR. CHEFFO: Afternoon, Your Honor. For Pfizer it's Mark Cheffo and Michael Cole.

THE COURT: Okay. We aren't seeing each other as frequently, so I hope everyone is doing well. There's silence. Not so good.

MR. CHEFFO: We are indeed.

THE COURT: I first want to address this issue of interlocutory appeal versus summary judgment.

Mr. Cheffo, can you explain to me, as precisely as you can, what issues you would view as being part of the omnibus summary judgment motion.

MR. CHEFFO: Sure, Your Honor. And I will try and be as precise and direct as I can. I think -- and certainly no slight or intention to the plaintiffs -- but I think that they may have thought more about our contemplated motion than we

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actually think. So in terms of -- and let me just put aside for a minute Daniels and Hempstead. In terms of what we perceive would be one relatively short, I hate to say page -but we're talking less-than-ten-page, you know, motion, would be an omnibus motion that would be on two grounds only. would be general causation with respect to any 10, 20 and 40, as Your Honor knows, and then it would have a second part that would be on specific causation based on, you know, the Murphy decision and Your Honor's subsequent order to show cause. So very streamlined. Essentially, you know, it would say you need an expert, black letter law in every state, every place, in order to get past go, if you will, with respect to -- you need an expert on these medical and scientific issues, and at 10, 20 and 40. They don't have that, and summary judgment should be granted. And independently, there would be a summary judgment ground with respect to specific causation on all of the folks.

THE COURT: Now, Mr. Cheffo, let me ask you this.

MR. CHEFFO: -- Hempstead and Daniels, I think to some extent -- Let me say this. We certainly would be guided by, you know, Your Honor's preference on this. In other words, whatever you think is most efficient. But really, our motion there would also be very streamlined. And that's, to some extent, because if Your Honor will recall, we made a more omnibus summary judgment motion in those two cases for two

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reasons, I think. One, the plaintiffs' complaint was far more fulsome, if you will, at the time, in terms of causes of action. They ultimately, in advance of trial, I think in the pretrial, streamlined that. So there were many things on warranty and other claims that we had made previously. But our intention would be either to do a very similar general on specific causation motion that would be very much like the omnibus. The only thing probably at this point that we might add -- and again, Your Honor can weigh in whether you think that this would be appropriate for this time -- would be kind of intermediary proximate causation. Essentially the argument being, you know, if you were to read the doctors' testimony, our view -- the plaintiffs, I'm sure, may disagree with this -- but our view would be that they would say even if they knew then what they know now, they would have prescribed Lipitor because the women needed it, it was appropriate and they were candidates; and, therefore, that would break the causal chain, and it's just a separate independent proximate cause basis. You know.

And the last thing I guess I would say is -- So that's it. We're not talking about 50-page motions or anything particularly burdensome to deal with. And obviously Your Honor could either tell us that, you know, even as to that ground, it's not timely right -- or we don't need to make it now. Or certainly you, as any judge, has the discretion, of

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course, as you know, Judge, not to reach that issue, you're to reach the others.

The reason I'm saying all this is because I think we are very much, you know, our core issue here is we do not want Your Honor to be kind of burdened with lots of different motion practice and lots of different issues that you don't need to reach, that might take time or delay. We don't want that either. So we are going to make an absolutely streamlined motion that would be kind of bite size and user friendly for the parties and for Your Honor.

THE COURT: And you -- and this would be the understanding -- that should the plaintiff succeed in their appeal, they would -- nobody would be prejudiced as to any of these other -- the ability to raise any of these other issues in the future.

MR. CHEFFO: Yes, Your Honor. And there we, I think, share the plaintiffs' goals, meaning efficient and not necessarily taking up the Court or the parties' time in briefing potentially, you know, many issues that we might not ever need to, or if we do, certainly could be handled by the Court when the case — if it ever got sent back to Your Honor.

THE COURT: Well, I think both -- I think everyone would have an interest in having the appellate court deal with these two issues of general and specific causation, and not be buried in the minutia of the case. It would be almost

overwhelming for them and not particularly productive for either side, I don't think.

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So, Mr. Cheffo, I would almost say that these other arguments for Hempstead and Daniel could be made at a later date, if necessary. I almost think you're better off just saying, okay, here's Dr. Murphy, here's the judge's order, you know, is that a proper application of Daubert; same thing 10, 20 and 40 milligrams, is that a proper application, and send it up on summary judgment. Because you've got to have an expert opinion to go to a jury anyway. And it's just a necessary ingredient of the claim that is absent. And you'd be delivering, frankly, in my view, you'd be delivering the question to the Fourth Circuit in a sort of simplified way, and without all the bells and whistles of all these other claims that we've had to address.

So let me ask, Mr. Hahn, if we are able to limit it in the way that Mr. Cheffo has just described it, does that in any way give you any peace of mind about the need to go to 5000 plaintiffs for factual affidavits and that kind of thing?

MR. HAHN: No, Judge. I mean, my concern, and Mr. Ho also has an opinion on this, is actually a good bit smarter than I am on these issues, and so he may want to add to what I'm saying. But our concern is that we need to do what you had originally talked about doing, back in January, which was let's get a clean route of appeal, only on your Daubert

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rulings. And by taking up 10, 20 and 40, your general causation opinions, and then Murphy's specific causation opinion, I don't think we can have a summary judgment as to all the other plaintiffs in the litigation, because those other plaintiffs, in some states you don't have to have expert -- New Mexico is one -- and we would have to do a 50-state review of the law, A; and then B, there may be other plaintiffs that have -- haven't had the opportunity, and plan to put up a specific causation expert that's going to give an opinion that would get them to a jury.

THE COURT: No, no, I had -- I entered an order, Mr. Hahn, in which I said if any of you don't agree with the lead counsel's position about specific causation, you need, by designated date, to identify your case and provide me the names of your experts, so we can get on with discovery. And no one responded.

MR. HAHN: Yes, sir.

THE COURT: So I don't think we're out there with other potential cases.

Now, this issue of states that do not require expert testimony on causation, are there -- I wasn't aware there were such states.

MR. CHEFFO: I mean, I will tell you that this issue was raised in connection with Zoloft before Judge Rufe, and there was a kind of, I think, a hint that, well, there are

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other ways that you can kind of get around it. We actually did an appendix and a survey. To my knowledge, every state requires some measure of expert testimony.

The other issue here, more fundamentally, is that Your Honor, you know, didn't set up a situation where, well, maybe you can address general causation by experts, then if you lose that, you can kind of come back and three years later. mean, we had an agreed process, as Your Honor knows, very aggressive, but fair, for a year and a half, where you said basically show me your cards, to both sides, on general causation. If people decided that, you know, they thought New Mexico had a different way of doing that or something else, the time to kind of put that forward as to showing general causation. Your Honor didn't say here's the formula for the plaintiffs, how you need to show general causation, nor did you say, Pfizer, here's how you could defend your case. You said, here are the deadlines, give me everything that you have so that it can be tested under Daubert and formalized. That's exactly what happened. If anybody thought that they needed more or less or different, in order to get past the general causation hurdle, that's exactly what we've been doing for the last year and a half.

THE COURT: Mr. Cheffo, here's what you could actually do though. If you were to move for summary judgment, and part of the opposition would be -- if, in fact, there are

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such states -- I wasn't aware there are any -- I'm not ready to certify there are no other states. But let's assume there are. Then the brief in opposition could say all claims from the following -- from the State of New Mexico, we oppose it, because there's not a requirement. You'd still have a -- the plaintiff would still have to make a showing of whatever is required under that law to establish causation, even if you don't need an expert and what evidence they might have.

I'm skeptical there are such -- I mean, I have not heard, until this conversation, any suggestion that there was another path for causation. Plaintiffs haven't remotely suggested that.

And, you know, I am more than happy, in opposition to the motion for summary judgment, to hear out the plaintiffs' argument on that, though I've never heard it before, and make a determination which may involve from those states denying summary judgment. I mean, that's a possible thing on the basis there's another path and there's a basis for -- you know, there is a basis for surviving summary judgment.

I have to say, I think summary judgment's the right path here. I think interlocutory appeal leaves it you still have whether the Court is going to take it or not. Let me just tell you, they don't like interlocutory appeals. I think we're in a position to do it. But I'm going to afford the plaintiff every opportunity, in opposition to summary

judgment, to offer any reasons they wish why summary judgment is not appropriate, including the issue of that it's not required, and under the standard of that state, you know, that this type of evidence is present.

MR. HAHN: Judge?

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THE COURT: Yes.

MR. HAHN: Judge, if I may, this is Blair. My problem with that is I don't have the authority to do any of that as to specific causation plaintiffs. All I have is the authority granted under the MDL statute. And so it just breaks it down to individual plaintiff issues, potentially, motions for reconsideration, that could be a mess. That's why we were suggesting doing an interlocutory appeal, which is pragmatically the same to Pfizer one way or the other at the end of the day. The only real difference is bragging rights now versus waiting until the Fourth Circuit rules.

THE COURT: You know, Mr. Hahn, you have never mentioned to me -- I was trying to find a bellwether case. You know I was trying to do that to give y'all a chance to try the case. And I asked you, do you have any case, of all the 5000, that you would like to pursue as a bellwether? I was prepared to let you do that. And I -- you know, we did the 80-milligram cases, which you had an opinion. And you told me there are no cases, that this is it, I've done what I can do.

MR. HAHN: Yes, sir.

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THE COURT: And so I'm hearing now for the first time you've got other cases.

MR. HAHN: Yes, sir, I did. And that was in the context, as I understood it, of the 80-milligram cases and the Waters criteria. But be that as it may, I was not aware of the New Mexico exception until this week, and it was one that Mr. Ho actually pointed out to me.

THE COURT: Anybody other than -- any state other than New Mexico?

MR. HAHN: Derek, do you have --

MR. CHEFFO: Your Honor, this is Derek Ho.

THE COURT: Yes, sir. Welcome aboard, Mr. Ho.

MR. HO: Thank you very much. We haven't done a comprehensive survey. We do think that New Mexico is at least one state that doesn't require expert evidence, and we think there may be others. In fact, I think there's a Fourth Circuit decision that alludes to Georgia being another such state.

But I can't say that we've gone through the effort to do the 50-state survey. And that's part of the inefficiency that we think is part of Pfizer's proposal. We don't think there's really any need to go through all of that, if the Fourth Circuit is willing to take the interlocutory appeal.

THE COURT: But it wouldn't settle it anyway, because if you go up on interlocutory appeal and you've got all these

other cases, it's getting us nowhere.

You know, Mr. Ho, I'm glad they got a smart guy in there looking, but we've been in this thing for a couple years, and suddenly a new guy gets in and he has a new theory, you know, at some point, you know, we go with what everybody presented at the time, and not what a new lawyer who's handling the appellate case suddenly comes up with a new theory.

I will say this. In opposition to the motion for summary judgment, y'all can brief New Mexico or whatever other state. And if I'm persuaded there's a material difference, I'm going to consider denying summary judgment as to those states. But if there is such a state -- Mr. Cheffo says there is not -- we'll deal with that. But we'll do it in the context of a summary judgment motion.

And there was a schedule proposed by the defendant, and I didn't get a response. I know that, Mr. Hahn, you were obviously proposing a different path. Assuming for a moment we're going to go with a schedule, does the proposed schedule of June 24 for the defendant to file summary judgment, a response by the plaintiff on July 22, and a reply on August 12, do you have any opposition to that schedule?

MR. HAHN: I would like to talk to my people about that, if I could, Your Honor, and let you know later today?

THE COURT: That would be fine.

MR. HAHN: Thank you.

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And would there -- why don't you, at the same time, Mr. Hahn, would there be a desire for oral argument on summary judgment? MR. HAHN: Yes, Your Honor. THE COURT: I would plan for summary judgment, if we kept on that schedule, on September 7th. MR. HAHN: All right, sir. THE COURT: Okay? And I might suggest that to the extent you have some alternative proposal, that you and Mr. Cheffo might confer first and see if you can't reach some agreement. But I need to -- you know, this is a schedule that sort of suits the demands I have in chambers right now, so I would not want to deviate much from this. MR. HAHN: Yes, sir. THE COURT: I have a capital case that begins on November 7th, that I, you know, I need to be -- I won't have much opportunity for awhile after that to address these Okay? issues. MR. HAHN: We'll get something to you today. THE COURT: Okay. Now, there was an issue regarding a desire by counsel on the remand motions for oral argument. Who wishes to speak to that? MR. KAUFMAN: Your Honor, Justin Kaufman is on the call for the plaintiffs to address that issue.

THE COURT: Very good. I'll be glad to hear from

you, Mr. Kaufman.

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MR. KAUFMAN: Thank you, Your Honor, and we appreciate the opportunity for you letting us join this call. I'm speaking on behalf of a number of different groups of plaintiffs. So there is a large group of plaintiffs whose cases were filed in California State Court. There are somewhere around 3500 plaintiffs who had filed there. There are two cases out of State Court in Missouri, and there's one case out of State Court in Illinois. And the majority of these cases — in the majority of these cases the Magistrate Judge has already issued an order either remanding these cases back to State Court, or suggesting a remand transfer back to the Federal Courts in California.

THE COURT: Well, they haven't remanded. A Magistrate Judge gives me a report and recommendation.

MR. KAUFMAN: That's right, Your Honor. Although the Magistrate Judge's order in the California cases, it's styled as an order of transfer back to the California Federal Court, and it is up to you to review that. And you can review that on a clearly erroneous standard and decide whether or not that's appropriate or not. So all of those Magistrate orders, to the extent they've been issued, have been appealed by Pfizer, and the briefing has been completed for some time. And it's our position that all of these cases should be remanded or transferred back, per the Magistrate Judge's

orders. But if you're not inclined to do that, then we would like the opportunity to have oral argument in these cases.

THE COURT: Mr. Cheffo, does the defendant want oral argument on the remand?

MR. CHEFFO: Yes, Your Honor.

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THE COURT: I'll do -- you know, we're glad to do oral argument. So we'll set that probably not at the same time I'm dealing with summary judgment, but around the same time. Okay?

MR. HAHN: Thank you, Your Honor.

MR. KAUFMAN: That's fine. The only thing I'd ask is, you know, this is a large group of plaintiffs, and I think Pfizer will agree, most of the issues are consistent across all of the cases; there are some individual differences. And so we'd like the opportunity at least to discuss with counsel how best to address these remand positions. We want to make it efficient for the Court and for all counsel. So if we just have the opportunity to discuss that before it's time to hear those.

THE COURT: I urge y'all to confer and let us know, and -- but I want to give y'all -- I want to give counsel every opportunity to be heard on these matters.

MR. CHEFFO: Your Honor, I'm sure -- I'm pretty confident we will be able to work out any logistical concerns that the plaintiffs have in terms of presenting their

argument.

THE COURT: Good. I have raised the issue in a text order with counsel, about when we might stop allowing tag along cases to be transferred here, and when we might allow out-of-district direct filings to stop, and wondered if counsel had any thoughts on that.

MR. HAHN: Judge, this is Blair.

MR. CHEFFO: This is Mark. I don't know if, Blair -- Blair, Mr. Hahn and I had a chance to speak briefly about this yesterday, so I don't know that I speak for both of us, but maybe I'll just answer your question directly, and Blair can tell me if he agrees or not.

But I think our view was this, Your Honor, is obviously a lot of work has been done and, you know, and it's certainly a fair question. I guess what I would say at this point, for two reasons, is that I would not kind of propose ending the MDL or kind of not having cases transferred, really for efficiency purposes. The reality is there are still a fair number of cases that are being filed, certainly not at the level that there were before, but, you know, since, you know, April 18th there was, you know, probably, I don't know, maybe 15 or 20 cases, but there's over 200, 300 different plaintiffs. So to the extent that, you know, certainly Your Honor's going to have this at least until after the Fourth Circuit rules, it makes sense, at least from our perspective,

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to have the efficiency. Because otherwise I think what would happen is we'd wind up potentially with 50, 75 or even more cases around the country in Federal Courts, and that would somewhat defeat the purpose of what you have kind of accomplished. And I know you also indicated that certainly, you know, at a reasonable point, like most judges, you will determine what to do with any cases that remain before you. But from our perspective, I think that time is probably not now, and probably would urge you to at least wait until after we get some guidance from the Fourth Circuit to then decide what else is -- what to do. And I think similarly, if you're going to do that, as we are urging, then there would be probably no reason to change the direct filing rules, again, at this point, because they seem to work in the context of what you've built already.

THE COURT: Mr. Hahn, what is your view?

MR. HAHN: Judge, to the extent that if as long as the MDL is open, I think we should have direct filing. I don't see any reason not to do that. As far as when we think the MDL should be shut down, we probably — we agree with the defendants that we should wait until after the Fourth Circuit has ruled and we see where we are. To do otherwise would create some common benefit issues. If we're correct at the Fourth Circuit, and the MDL had been shut down, that just creates a problem that would be hard to go back and undo.

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THE COURT: I get that. And it's frankly an issue,
Mr. Hahn, I hadn't thought about.

You know, one of the things that occurs to me that we might need to address, is this. You know, I entered that text order awhile back about specific, you know, if you have a specific performance case — if you don't agree with the plaintiff on — lead counsel for plaintiff on specific causation, you need to identify your case and bring it, and identify your expert so discovery can commence. And I got — of course we mentioned earlier, no response.

Perhaps I should reissue that text order for all cases filed since then.

MR. CHEFFO: I think that might be helpful.

Absolutely. I mean, again, one thing to -- you know, within 30 days after filing. And again, this is something that you neither kind of, I think, put on your text order agenda, nor have I discussed with Mr. Hahn, in fairness. So I'm just kind of throwing this out there, and I know that they haven't had a chance to address it. But in some -- so I think that's a good idea.

I also think that in other litigations that there are -sometimes people have actually wanted to join, even
afterwards, you know, and essentially said, you know, for the
same reasons we reserve our rights, but we'd like to -- we
will acquiesce in summary judgment being granted, just so we

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can all go up or go down at the same time. So I don't know that any of the plaintiffs who might not otherwise be bound will do that or not, but it's not uncommon, in my experience, for counsel and the plaintiffs to do that.

So I think there's two issues. One is, yes, reissuing it, I think, makes sense, but also, you know, there may be an opportunity for Blair and his team to determine if anybody who arguably might otherwise be outside the summary judgment would want to fall within it.

THE COURT: Okay. Mr. Hahn, do you have any response to that?

MR. HAHN: No, I think that it probably makes sense to issue a second order, Judge. I would ask that you give more than 15 days to respond, because it's going to take longer than that for people to find an expert that --

THE COURT: Well, they should have already had an expert. I mean, you know, very frankly, Mr. Hahn, you bring your lawsuit, and I mean, due diligence is, you know, you've got experts. And to simply say now I'm going to start all over again as if they've never been part of the case, and we're not expecting these lawyers to have due diligence, I am not impressed with that. Now, I don't, you know, if you want me to do 30 days instead of 15 or something, that's fine.

But the truth is, you know, you have not gotten the result you wanted, Mr. Hahn. But if anyone asks me, you have worked

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as diligently and conscientiously as any lawyer could have, in furtherance of your claims. And the idea that someone is going to off the wall come up with some new theory you haven't thought of, or new causation angle you haven't thought of, I think is an improbable development. And I don't want to open a new round of a new approach to try to go around what we've done for the last several years.

So I just think that if somebody thinks that your approach, lead counsel's approach, your and Mr. Tanenbaum's approach on specific causation is wrong, that there were bellwether cases, step forward and tell me who your experts are. Talk is cheap. Not having your experts, I'm pretty skeptical. I never brought a complicated case without having an expert. I mean, that would be ridiculous.

MR. HAHN: Yes, sir. And I think in a perfect world I would agree with you. But in an MDL practice, lawyers sit back and allow the PSC to do the general causation work, and they wait to get their specific causation experts when they're needed, if the case is ever remanded.

THE COURT: Well, they knew, everybody would be on notice of what's in the docket, they know they were asked, they know the position you've taken, they know the potential consequences of it. It's apparent to anyone. And they've done nothing. And now we're supposed to let them start over as if they have never been involved in the case? This is a

new case? I don't buy that.

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MR. HAHN: No, sir, I wasn't suggesting that. But, you know, if you could give them 30 or even 45 days, I think that would be a good thing.

THE COURT: I need to think about all this. I don't want to disrupt the SJ briefing. So I'm concerned about this. And we may just have to deal with that issue at a future time. The implications of doing it may just be inviting litigious conduct just to avoid summary judgment. And I'm not sure that's a good idea, that I want to do that.

MR. HAHN: Yes, sir.

Judge, do you have any feel for when you'll -- assuming we have oral argument on the 7th of September, when you would issue your order?

THE COURT: I would have a goal sometime in September to do that.

MR. HAHN: All right, sir. We're just trying to figure out the timing for the Fourth Circuit.

THE COURT: I mean, that would be my goal. You know, sometimes, Mr. Hahn, just like you, I don't have complete control of my life.

MR. HAHN: Yes, sir.

THE COURT: I don't have judges jerking me around, but I have other things doing that. But that would be my goal is to get an order out in September.

MR. HAHN: All right, sir.

While we're on the phone, Judge, if I could also ask, assuming -- I mean if, after I speak with my people, they say they don't want oral argument, that we'll just rest on the papers, I'm assuming that Pfizer would have no issue with that, and that would probably help you out a little bit as far as getting an order issued a little more quickly, wouldn't it?

THE COURT: It would.

MR. HAHN: Okay.

MR. CHEFFO: And I guess we can certainly talk about that, if that's what your position is when you get it and we see your opposition and we feel similarly, then sure.

THE COURT: You know, one thing, y'all are now talking about oral argument, Mr. Cheffo, y'all might -- and Mr. Hahn might say at this point we don't want oral argument, but once you get into the briefing, you may say I do. And if you --

MR. CHEFFO: Exactly.

THE COURT: So I wouldn't consider that to be final.

Obviously once the reply is filed, we need to know whether

we're going to have oral argument or not. But there may well

be developments in the briefing that cause one or both parties

to want oral argument, and I'm fine with that. I'm not trying

to prevent you from having oral argument.

MR. HAHN: Judge, if we could then just go on and

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take the date of the 7th, and Mark Cheffo and I will talk,
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      after the replies, and if we decide at that point that neither
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      party wants oral argument, we'll turn you lose.
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               THE COURT: I think that's absolutely fine.
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               MR. HAHN: Thank you, Judge.
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               THE COURT: Okay. Any other matters to be addressed
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      at this point?
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               MR. CHEFFO: No, Your Honor, not here.
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               MR. HAHN: Nothing from the plaintiffs, Judge.
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               THE COURT: Very good. I'm sure we will be talking
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             Thank you very much.
      soon.
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          (Conference concluded at 2:39 p.m.)
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REPORTER'S CERTIFICATION I, Debra L. Potocki, RMR, RDR, CRR, Official Court Reporter for the United States District Court for the District of South Carolina, hereby certify that the foregoing is a true and correct transcript of the stenographically recorded above proceedings. S/Debra L. Potocki Debra L. Potocki, RMR, RDR, CRR