IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE: PHILIPS RECALLED CPAP,
BI-LEVEL PAP, AND MECHANICAL
VENTILATOR PRODUCTS LIABILITY
LITIGATION

No. 21-mc-1230
MDL No. 3014

Transcript of Status Conference held via Zoom on Thursday, November 9, 2023, before Honorable Joy Flowers Conti, Senior United States District Judge.

Court Reporter: Noreen A. Re, RMR, CRR

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PROCEEDINGS

THE COURT: Good morning, everyone. This is Judge Conti. This is the status conference in re Philips Recalled CPAP, Bi-Level Pap, and Mechanical Ventilator Products Liability Litigation. It is MDL No. 3014.

The parties who intend to speak have entered their appearance pursuant to a joint notice that was filed with the Court. And the time would be now if anyone is on this Zoom call, if you would like to enter your appearance, you should speak up now.

(No response.)

THE COURT: Hearing none, the parties who have entered their appearance through the joint notice will be recognized as having entered their appearance. So let's begin.

We have a number of matters to go through today. So we have, first of all, the discovery update and status of proceedings with the special master. Who would like to address that?

MR. BUCHANAN: I'm happy to just take it off, Your Honor. Dave Buchanan from Seeger Weiss for plaintiffs. On the plaintiffs' side, we're busy on all matter of discovery. That usually means the defendants are pretty busy as well. That's both party and nonparty discovery.

Many of the relevant employees are former employees

at this point. We've dropped subpoenas, and they're pursuing third-party discovery against a number of the relevant former employees.

Document productions continue. That involves at this point both supplemental requests and revisiting prior requests to, if you will, get supplemental productions dealing with whether it's privilege or responsiveness concerns or just, you know, fussing about formatting and other issues that may have yielded fewer documents or need for follow-up in various areas.

So I would say nothing out of the ordinary at this point, Your Honor. We're working through those and meet and confer with the defense. We have some disputes, but we're working with Special Master Katz to get to the bottom of those.

Depos are proceeding. We've got a handful set between now and the end of the year. We've got open requests for others, but with third parties in this case there has been a lot of coordination efforts involved with both third-party counsel, former employees who Philips doesn't control the schedules of and, obviously, counsel and those schedules. But that looks like, I would say, the first quarter is going to be a fairly busy time with regard to liability/causation depositions in the Philips MDL.

We're before Special Master Katz, as you know,

regularly and are continuing to work with her to move through the issues that we have on discovery.

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MS. McNALLY: Judge Conti, this is Laura McNally for Philip RS. I agree with Mr. Buchanan's recitation of the current discovery situation. From the defendants' perspective, we are fielding those additional and supplemental requests from plaintiffs and working through, you know, the nits of discovery, working closely with Special Master Katz on that. I think that Mr. Buchanan did a nice job of summarizing where things stand.

THE COURT: Anything else on the discovery?

(No response.)

THE COURT: Now we have some proposed deadlines for personal injury and the medical monitoring tracks. I just wanted to maybe combine this with a look at this joint notice of the updated timeline pertinent MDL dates.

The one thing -- I think this will roll over in some of the other issues. When I look at the timelines -- let's look at the 7-15-24. That's the deadline to complete expert depositions relevant to class certifications for medical monitoring class action. And then we have Daubert motions for these class certification issues for medical monitoring. And those are not scheduled to start until December. And in between that there is the motions for class certification that are going to be filed.

But I think you need to resolve the Daubert issues if they're going to affect the class certification. You'll have to have the Daubert matters resolved prior to the filings for the class certification. That would be my sense of it, because I don't know how you can file the motions for class certifications if you're relying on expert reports that are then going to be disputed pursuant to the Daubert proceedings and then how that affects the class certification motion. It could be very confusing. So I would like to hear from somebody about that.

MR. LAVELLE: Good morning, Your Honor. John Lavelle from Morgan-Lewis for Philips RS. One point of maybe clarification and then a response. The timeline that was submitted to Your Honor reflects the deadlines that are currently in place --

THE COURT: Right.

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MR. LAVELLE: -- for medical monitoring. Those were obviously set in your order several months ago. The proposal that we submitted to Your Honor on Tuesday of this week would adjust some of those medical monitoring dates to be more aligned with what we've proposed as to schedule for personal injury claims. So some of the dates would be different. I will acknowledge --

THE COURT: It has the same thing, though. So let's look at -- when you look at it for the changes on the personal

injury, you have the Daubert hearing coming after you've already filed all your summary judgment motions. And if the matters that are raised in the Daubert motions are matters that will affect how I'm going to rule on summary judgment, I think you've got the cart before the horse, so to speak.

At least the way I handle my cases, if I have a summary judgment and the summary judgment is going to be on sort of liability issues and there is an expert that is weighing in on those liability issues, I require that the Daubert hearing be held prior to the submission of the summary judgment briefing, because how I rule on that could affect what happens in the summary judgment briefing.

Otherwise, I'm ruling on Daubert motions after the summary judgment has been filed. And then what if that means that you need to go back and redo the summary judgments? Or oftentimes somebody will come and say, "I need a new expert." Then we get into all of those issues, which just causes further delay and concerns like that. Because we've already baked in the time for the submission of the summary judgment motion and briefings. I see that other one, too. So that's why I'm raising this.

MR. LAVELLE: Understood, Your Honor. From defendants' standpoint, we would certainly be amenable to making that change for both the personal injury and the medical monitoring track to put the Daubert motions first and

then setting back the summary judgment and class certification until after the Daubert decisions are decided.

THE COURT: Right. Sometimes I can rule on the Dauberts as I'm going through them. I can do them verbally so that you can get started right away. If it's a little bit more cumbersome, then I might need some reflection time. But I try to move those along relatively quickly, if possible. How many experts are you expecting, by the way?

MR. LAVELLE: Your Honor, I would like plaintiffs to answer that first. We are working with a number of experts now; but we, to some extent, are beholding to responding to what the plaintiffs present in the first instance.

THE COURT: Okay. Miss Iverson, you wanted to address the Court?

MS. IVERSON: Your Honor, yes. I agree with Mr. Lavelle. If you prefer that these be reordered, we are fine with that. We have done this process in a lot of class certifications where the experts are done with class certification or before and Dauberts after. Sometimes, you know, how the testimony might affect the class certification is something that can inform what the Court does on Daubert by having those class certification motions.

Obviously, sometimes those class certification motions need to be refiled or adjusted thereafter. But I agree. If that is how Your Honor prefers it, we certainly can

adjust the schedule to put the Daubert first.

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With respect to the number of experts, I'll let Dave speak to that with respect to the PI case. We would expect a number of experts on the class certification side of things for the medical monitoring.

Dave, do you want to talk on personal injury track?

MR. BUCHANAN: Sure. Happy to address, Your Honor.

To some extent we structured the schedule. And, as you know, we are actively pursuing parallel tracks in this litigation.

We have a mediator's report to Your Honor in early 2024. I imagine that the scope of expert disclosures will, in some respects, be dependent on how everything shakes out on that track. I wouldn't anticipate that it would be less than ten experts. There will be a number of experts, obviously.

THE COURT: This will be on the plaintiffs' side you're expecting at least ten, probably, and then the defendant --

MR. BUCHANAN: I would think, Your Honor. There is the ability to cover multiple areas.

THE COURT: Okay.

MR. BUCHANAN: That will evolve in the coming months.

THE COURT: Okay. Thank you. Okay. So if you could redo your proposal for the deadlines to take this into account, meet and confer. If you get me something next week, that would be good.

MR. LAVELLE: We can do that, Your Honor.

THE COURT: And the other thing, I mean, this case is now -- these cases will go into 2025 and beyond, you know. I am interested in trying to keep these cases, you know, moving as fast as reasonably possible. So I am a little bit concerned about this case is going to be going into 2025 minimum.

So I'm going to be loathe to grant extensions as we go along if I approve this timeline, just so everybody is prepared. You've given me your best shot, and I have had enough time to become familiar with a number of things. I understand things do happen, but you're going to have to meet a pretty high burden if you want to get an extension. It's going to be something pretty compelling as to why you weren't able to achieve these dates.

MR. BUCHANAN: Understood, Your Honor. Just one point I did want to highlight for Your Honor. Next summer in the proposal, the joint proposal of the parties on the PI side, we're coming to you with the parties' proposal on bellwethers.

THE COURT: That's the bellwethers for trial as opposed to mediation?

MR. BUCHANAN: It's for discovery/trial, Your Honor, but getting into case specific discovery. The parties are separately pursuing, if you will, what needs to be done in the

mediation track and is the subject of an order of the Court.

But next summer we would be coming forward with a process for that, either joint or separate proposals, mindful of Your Honor's desire to keep this moving. I think after we get the general kind of feel for experts, we can then turn to the individual plaintiffs.

THE COURT: Okay. Thank you. Anything else on the timelines?

MR. LAVELLE: No, Your Honor. Thank you.

THE COURT: Okay.

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MS. KATZ: Your Honor, this is Carole Katz. I was too slow on the mute button when you were on Item 1. Just to give you a heads-up, there is one issue that we haven't been able to work through, despite significant efforts by everybody involved. So it looks like you'll be getting a report and recommendation from me in the next week or two.

THE COURT: Okay. Thank you. The third item, I've already granted that extension for those objections to be filed after Thanksgiving, the week after Thanksgiving. And so that brings us to the deadline for the filing of findings of fact and conclusions of law with respect to the personal jurisdiction issue.

MR. SEELEY: Hi, Judge. This is Caleb Seeley from Seeger Weiss. The parties have agreed -- we haven't gotten it on file yet, but we've agreed to December 12th to file the

findings of fact and conclusions of law. And then we would submit to Your Honor, in the same manner the parties previously submitted to Judge Vanaskie, the hyperlink versions, as the Court requested. And we're going to do that, give ourselves a week to get those all linked and sorted out. So those would be delivered on the 19th of December.

THE COURT: Okay. Thank you.

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MR. SEELEY: And we can get an official proposed order on file.

THE COURT: Okay. Thank you. Okay. There is today -- okay. The update on state court litigation.

MR. LAVELLE: Yes, Your Honor. John Lavelle again for Morgan-Lewis for Philips RS. I guess there are three items that we wanted to update you on relating to state court litigation.

First, you'll recall, Your Honor, at the last case management conference there was some discussion about the motion that we had filed to -- joint motion to extend the response date on motions to remand. There has been one individual plaintiff -- the name is Graham -- who had objected to that. And Your Honor encouraged us to reach out to Mr. Graham's counsel to see if we could resolve that objection. Unfortunately, we were unable to resolve that.

Plaintiffs' counsel did reach out on a couple of occasions to Mr. Graham's counsel and was unsuccessful. So we

have filed this morning, I think just before the case management conference, the reply brief in further support of the joint motion. So, unfortunately, that will have to be addressed at some point.

THE COURT: Okay. So what I'm going to do is I'm going to order if they want to file a reply that they do so by November 30th. And I'm going to schedule this for a hearing that if they want to be heard, the Graham matter, we'll take that up after the conclusion of the status conferences on December the 14th.

MR. LAVELLE: Yes, Your Honor.

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THE COURT: So I'll be entering a text order about that.

MS. DUGGAN: Your Honor, Sandra Duggan. Good morning. We had reached out to the Grahams' counsel, Jordan Stanton. We will let him know that Your Honor will be scheduling the hearing.

THE COURT: Yeah. I'm going to note that in their docket entry here so that they'll have that notice as well. But if you follow up with him, that would be appreciated. Thank you.

MS. DUGGAN: Thank you.

THE COURT: So anything else on the state court litigation?

MR. LAVELLE: Yes, Your Honor. There are two other

matters I just wanted to bring Your Honor up to speed on.

First, with respect to the Massachusetts state court

litigation, we reported to this previously. There are still

currently 19 cases pending before Judge Barry Smith in

Massachusetts. Five of those have been consolidated. There

has been a motion filed for the other 14 to be consolidated.

But all 19 are assigned specially to Judge Barry Smith, and

the order that was entered by the Court will assign all future

related cases to him as well.

So I think we're in alignment in Massachusetts. We also wanted to bring to your attention, Your Honor, one other matter. And that is there is a case that is currently pending in the Western District of New York, and the plaintiffs' name in that case is Lis, L-I-S, Sharon Lis and Allen Lis. That is a case that was originally filed in state court in Niagara County, New York, in August. We removed it to federal court.

We filed a motion to stay pending transfer to Your Honor's MDL. The plaintiffs opposed that. Currently the way that is postured is there was a report and recommendation by a magistrate judge denying our motion to stay and granting — or recommending a grant of the motion to remand. So that is currently pending before Judge Sinatra, S-I-N-A-T-R-A, like the singer, Frank Sinatra, but his name is Judge John Sinatra in the Western District of New York.

We'll be continuing to litigate that issue. And I

would expect that later this month Judge Sinatra will be taking up whether to grant or deny the objections we'll be filing to the report and recommendation.

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So we will be arguing, Your Honor, that this case should be transferred to the MDL so that the motion to remand can be decided by Your Honor in a manner uniform with other motions to remand, because it raises the very same type of issues that other motions to remand have, including whether joinder of a DME, durable medical equipment provider, is appropriate and whether that destroys diversity or not.

We just want to make sure that Your Honor was aware of that. It's technically not a state court matter. But if the motion to remand is ultimately granted by Judge Sinatra, then it will be a new case in state court and presumably would be proceeding in that court.

THE COURT: You're saying there is an R&R that supports the remand?

MR. LAVELLE: Yes. There is a report and recommendation that does two things. It denies our motion to stay pending transfer to the MDL and, second, recommends the remand back to state court.

Just to complete the picture for Your Honor, the judicial panel in multi-district litigation is poised to rule on the transfer later this month of this case. So there is a little bit of a race going on here as to whether or not Judge

Sinatra will address this before the judicial panel does.

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THE COURT: Okay. Thank you. Anything else on the state court litigation?

MR. LAVELLE: That's the update, Your Honor.

THE COURT: Okay. How about the census registry?

MR. LAVELLE: The current count of the census registry, Your Honor, is 55,325 potential claimants.

THE COURT: Okay. Anything from the plaintiffs on that?

MR. BUCHANAN: That's a few more than we had on our list. I assume the defense has a more current roster on that. It's up about a thousand from last month, Your Honor. There is about 655 cases on the docket now.

THE COURT: Okay. All right. The Leadership Development update.

MS. BARRETT: Good afternoon, Your Honor. Caitlin
Barrett on behalf of Philips RS. Just as plaintiffs'
leadership takes its commitment to mentor its junior lawyers
seriously, so does Morgan-Lewis and our co-counsel at
Sullivan & Cromwell and Baker Botts.

Since I first spoke to Your Honor about these opportunities a year ago, the substantial work I've been involved in has only increased, whether it be on the document and written discovery front such as helping to investigate and respond to interrogatories, ensuring consistency across the

various discovery work streams, coordinating with our E data team to ensure a smooth production process, working with our client to facilitate efficient collection of material to ensure we get plaintiffs what they need when they need it, participating in meet-and-confers with our document production and privilege challenges. And in recent months I have been preparing for and participating in depositions, which helps our team delve further into fact investigation as we learn from the deposition testimony.

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Regardless of the assignment, our team has integrated me into the defense strategy discussions with the client and the lead attorneys every step of the way, helping me understand the larger context of these assignments in such a complex matter.

Your Honor's encouragement that the parties fully integrate junior attorneys into all aspects of the MDL has had an immeasurable impact on my development as an attorney, as well as the development of other junior attorneys who have reported back in to you in previous case management conferences.

We look forward to further substantial work as this matter progresses and further opportunities to report back to you on the progress we have on the development. Thank you.

THE COURT: You're welcome. Thank you, Miss Barrett.

Anyone else? Anyone from the plaintiffs' side?

1 (No response.)

MS. IVERSON: We have Katie Harrison on, but I'm not sure if we can hear her. Katie, I don't know if your mic is working. We can't hear you. (Pause.) Still can't hear. We might have to defer Katie until next month.

THE COURT: Okay. I have two things that I wanted to bring up. One, on December 14th the Court will be having bagels and coffee in the morning before the status conferences in the SoClean and the Philips MDLs. So you're all invited to come to that. And it will be right here in the courthouse, as I had it the last time. But it may be in our jury room here right outside my chambers.

So you're all welcome to come. This will be in anticipation of the holidays and vacations coming up at the end of the year. So it will be an opportunity for everybody to get together, and we'll do that in the morning.

I chose the morning because I understand you all come in generally the night before, and that will be -- so you'll be able to leave as soon as the conferences or I have the hearing on the remand in the Graham case, after that is concluded. But I did neglect to let our SoClean parties know about this. So I will give you an opportunity, if you would be so kind, as to let them know that it's both for SoClean and the Philips MDL.

MR. MONAHAN: I think they're all on this call.

THE COURT: Hopefully they are and they'll know this is for everybody. And I hope to see all of you, if you are able to make it in for that conference for you to be here for the bagels and coffee and that kind of thing. So it's just an expression from the Court toward the camaraderie and professionalism that I've seen evidenced over the course of these two MDLs. Now, the next thing that I want --

MS. HARRISON: Your Honor, I'm sorry. This is Katie Harrison from the Leadership Development Committee. I apologize. I didn't realize I had 15 different microphone options this morning. But if you would still like to hear my presentation?

THE COURT: Yes.

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MS. HARRISON: Good morning. And thanks for having me on behalf of the LDC. Your Honor, the LDC continues to meet with one another and with lead counsel and the entire PSC on a regular basis. We continue to work on our committees and are frequently invited by lead counsel and members of the PSC to participate in projects that are of specific interest to each of us.

And I would like to take this opportunity, Your

Honor, to thank you for the opportunity to be part of this

committee and for creating this committee. I know that I

think one of the goals of the LDC, when judges create them, is

to permit those of us with less experience in MDL cases, but

that might have something to contribute, an opportunity to learn and find that place for us in this practice.

And that certainly has been an outcome for me. As Your Honor may know, this opportunity has afforded several of us the opportunity to speak on MDL and related matters at conferences, to participate in some really high-level thinking about this type of practice and how it can be improved even more in the future and explore how we can continue to develop our skills and our own potential for leadership in this matter. So thank you for that.

And I think that you'll get a report from us in the future about how incredibly helpful this was to each one of the members. So thank you, and I apologize for my glitch.

on this. And if the MDL keeps going on and on longer than I expect, I might ask for an interim report from the both sides' Leadership Development programs that I can submit to the judicial panel so that they can see whether or not this is helpful and what is worked, what hasn't worked and we can develop, hopefully, some best practices for other MDLs going forward or make corrections in our own MDLs that are pending before me here. So thank you.

MS. HARRISON: Thank you, Your Honor.

THE COURT: Okay. So the next thing I wanted to raise with everyone is the new decision that came down from

the Third Circuit Court of Appeals in the in re Wawa data security litigation. This was just filed on November 2, 2023. And it has to do with the attorney's fees.

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So I did read this, and it did strike me as I read through it that it raises issues with respect to the request for attorney's fees in the settlement that is presently pending before the Court.

So I would expect at a minimum when the briefing comes in that you'll be prepared to address the issues that are raised in the in re Wawa opinion, and maybe changes are necessary to the settlement arrangements with respect to the legal fees. I'm not going to opine on that. But it certainly does raise some issues about how the Court should view analyzing the attorney's fees.

MS. IVERSON: Yes, Your Honor. Kelly Iverson for plaintiffs. We will certainly address that when you get the fee petition. We are very familiar with the case, and some of the plaintiffs' leadership have been involved in that case. We do think that -- we don't think the Third Circuit created new law with the case.

I think it's the same law that's been being applied and that our fees are supportable under the standards of the Third Circuit. And we will set them forth in the briefing, be prepared to address any questions or concerns that Your Honor has.

THE COURT: In particular, just so you know, just for my high-level advantage, having just looked at the opinion, the one issue seems to be, when I analyze it, you don't look at the separate amounts set aside for attorney's fees. You add that in to the total economic package, because that's the benefit. It's a common fund.

And so when you're addressing the percentages of recovery, you would add the 95 into the value otherwise given; and you get your percentage that way. And then when you're looking at the terms, you have to be concerned about a reversion to the defendant from if the Court doesn't approve the full 95, it's less than that, that money now would stay with the defendant, as I understand the settlement. So they were raising some concerns about that, and also just the very nature of the defendant agreeing not to contest above a certain amount.

So those kinds of things that were raised. I'm not saying one way or the other how it would impact my analysis, but I just know that I want to avoid any possible appellate issues, if we can address them here and have an appropriate record made so that it will be sustainable if there are objections. Okay?

MS. IVERSON: Your Honor, we would certainly like to avoid that as well. Thank you very much.

THE COURT: You're welcome. Okay. Is there anything

else? 1 2 (No response.) 3 THE COURT: I see Ms. French-Hodson is on. Did you hear my invitation for the continental breakfast we'll call it 4 on December 14th? 5 MS. FRENCH-HODSON: I did, indeed; and I will make 6 7 sure my colleagues know about it as well. 8 THE COURT: Thank you so much. Okay. 9 MS. IVERSON: Your Honor, Kelly Iverson one more 10 time. Is the Court working on the 2024 monthly case management conference schedule? I don't think we've received 11 12 that yet, unless I'm mistaken. THE COURT: Thank you for bringing that to my 13 14 attention. You know, I have got a change in law clerks here. 15 So we will have that out to you promptly. 16 MS. IVERSON: Thank you. 17 THE COURT: Anything else? All right. Well, have a 18 nice Thanksgiving, everyone. And I'll see you here in 19 December. Thank you all. 20 21 (Whereupon, the above-captioned matter was 22 concluded.) 23

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I, NOREEN A. RE, RMR, CRR, certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled case. NOREEN A. RE, RMR, CRR
Official Court Reporter

November 9, 2023

Date of Certification