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 on October 17, 2023, in the United States District Court, 700 Grant Street, Pittsburgh, PA 15219, before Honorable Joy Flowers Conti, Senior United States District Judge.

APPEARANCES:

For the Plaintiffs: Sandra L. Duggan, Esq.

Kelly K. Iverson, Esq. Steven A. Schwartz, Esq. Christopher A. Seeger, Esq.

D. Aaron Rihn, Esq.

Peter St. Tienne Wolff, Esq.

David R. Buchanan, Esq.

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Alex M. Kashurba, Esq. Beena McDonald, Esq.

Ian Sloss, Esq.

Alyson L. Oliver, Esq.

For the Philips RS North America, LLC Defendants:

John P. Lavelle, Jr., Esq. Wendy West Weinstein, Esq. Steven N. Hunchuck, Esq.

For Other Philips Defendants:

Michael H. Steinberg, Esq. William B. Monahan, Esq. Tracy Richelle High, Esq. Elizabeth N. Olsen, Esq. Jonathan N. Kwortek, Esq.

Sienna Liu, Esq.

Connor D. Ferrall, Esq.

For Polymer

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Court Reporter: Veronica R. Trettel, RMR, CRR

U.S. Courthouse

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P-R-O-C-E-E-D-I-N-G-S

Tuesday Morning, October 17, 2023

(In Open Court)

THE COURT: Good morning. Please be seated. This is a status conference in In Re: Philips Recalled CPAP, BI-LEVEL PAP and Mechanical Ventilator Products Litigation at MDL No. 30-14.

The Court has received a joint notice identifying those parties whose appearance is entered and would be potentially speaking on behalf of the parties.

If there's anybody else that would like to have their appearance entered, we do have a pad of paper up front.

Please come forward and sign your name, and your appearance will be noted.

The Court has received a joint proposed agenda and we'll start with that.

First of all is the discovery update and the status and proceedings with Special Master Katz.

MS. ITRI: Good morning, Your Honor, Shauna Itri from Seeger Weiss on behalf of the plaintiffs.

We received a substantial amount of documents. We are working on going through those, analyzing and reviewing them.

We have some depositions scheduled through -- in October, this fall, and we are working on the schedule through

the first quarter of 2024. We have --1 2 THE COURT: Don't talk so fast, please. 3 I'm sorry. We have hit some bumps in the MS. ITRI: 4 road with scheduling, but we are working productively with 5 Philips' counsel and Special Master Katz and smoothing those 6 out. 7 THE COURT: So the depositions, is that the problem? 8 MS. ITRI: Some trouble scheduling some depositions, 9 but we are working cooperatively. THE COURT: It's going to become more difficult as we 10 11 approach the holiday season. 12 MS. ITRI: Yes, Your Honor. MS. WEST FEINSTEIN: Good morning, Your Honor. 13 14 West Feinstein with Morgan, Lewis on behalf of Philips RS. 15 I agree with everything that Ms. Itri just said, and 16 I would just add that Special Master Katz has been very 17 helpful in assisting the parties and working through both the 18 written discovery issues and the deposition scheduling issues. 19 Then just to note a few points on discovery of 20 plaintiffs. Ms. Itri was discussing mostly the discovery of 21 defendants. Discovery of plaintiffs is ongoing with respect 22 to the medical monitoring named plaintiffs. Special Master 23 Katz --How many of those are there? 24 THE COURT:

MS. WEST FEINSTEIN: So I believe there are about 60

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or so, and then depending on what happens with the report and recommendation on the motions to dismiss, that number may change, but right now, we're engaging in discovery on all of the currently named plaintiffs in the medical monitoring complaint.

Written discovery, we have not yet begun depositions of those named plaintiffs, but the defendants do intend to take depositions at some point of those parties.

THE COURT: What I would like from the parties is with respect to the personal injury complaint and the medical monitoring complaint, I would like for each complaint just a listing of the claims and who they are asserted against. Not the complaint itself. But just a listing of all of the claims and the defendants as to each claim.

MS. WEST FEINSTEIN: Excellent.

on that and submit that to the Court within two weeks, I would appreciate it. It will help my analysis not only for this case, but also for the personal injury case that I'm going to hear afterwards, but I think it would be -- it's such a daunting task to look through -- you sort of get lost as you go on and on and on with the lengthy master complaints.

So if I just have sort of a listing claim one, claim two, claim three, and who the defendant is in each of those claims it would be good.

MS. WEST FEINSTEIN: Absolutely, Your Honor. We're happy to do that. That's the update on discovery from our perspective, Your Honor, and the proceedings with Special Master Katz as to discovery.

THE COURT: Okay. Thank you.

MS. WEST FEINSTEIN: Thank you.

THE COURT: Okay. The motion to adjourn the remand motion briefing schedule, and there was only one objector to this. Is that counsel here?

MS. WEST FEINSTEIN: I do not believe so, Your Honor, and we have not -- other than the filings, we have not corresponded or discussed the motion with that single objector.

THE COURT: I looked -- you know, they are basically arguing that they don't have an economic loss claim, and I took a quick look through their underlying complaint, and it's for a breach of warranty, and I always thought that was an economic loss claim. Although, they are claiming damages under their -- for personal injury and emotional distress and that kind of thing.

So I just think I need some analysis. I think there is an economic loss claim in here. So somebody has to address that with the Court. So if you could have a response to -- a reply to their response and lay out whether there are any economic loss claims in this complaint because it strikes the

Court that they are likely to be that way. So I don't know if the plaintiffs have a view on that or not.

MR. BUCHANAN: Your Honor, I wasn't going to speak to the merits of the issue you just said raised, but just in terms of communicating back to plaintiff's counsel in that case, we'll let them know that you raised that issue. Do you want anything supplementally from plaintiff's counsel or do you want to wait --

THE COURT: They could do that, too. And also, I think -- and I'll just put this on the record. You know, one of the other distinctions, they say that this is not unlike some of the other motions to remand that I saw. There's a third party in here, which is the distributor. The one in California, it was the doctor who was the prescribing doctor, and in here, they have a distributor.

Now, the economic loss claims do not encompass the distributors, is that correct, or are they being released?

MR. BUCHANAN: I don't believe -- oh, in the class settlement?

THE COURT: Yes.

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MR. BUCHANAN: I would have to refer to my counsel. They are subject to the release.

THE COURT: Okay. So they're going to be subject to the release. So I think they could still be stayed with the other cases until this has resolved.

Now, for personal injury claims, you know, there's -that's a different issue. But if the distinction is that they
have this claim against a third party, but if they're a
distributor and they are going to be released and there are
economic claims in there, I don't see that they are different
from the other cases that the motions to remand were filed
with and that have not objected to the continuance.

MR. BUCHANAN: What would you like sequencing to be on this, Your Honor? I'm not sure whether the plaintiffs are, indeed, pursuing -- there may be different damages available under their warranty claim. You can, perhaps, get damages for the personal injury separate from economic loss, but it may not be clear how they pled it.

THE COURT: I don't know. I just -- I mean, if it's a breach of warranty, that's usually covered by the Uniform Commercial Code, and your remedies are going to be there, and I don't think you get personal injury damages for breach of warranty. That's a contract kind of claim, at least my rudimentary understanding of the Uniform Commercial Code.

MR. BUCHANAN: There are some states, Your Honor, with regard to implied. I'm not sure exactly what warranty you're raising, but --

THE COURT: Well, in Kentucky, they have --

MR. BUCHANAN: I think it may be better for me just to pass along your comments to plaintiff's counsel, Your

Honor, and if you just advise --

THE COURT: Breach of warranty. They said that they were expressly or impliedly warranting that the device as merchantable and fit for the ordinary purpose for which the product was used -- for the purpose for which it was used. So I don't know. Then they go on and just talk about the breaches caused the injuries and the damages. So I don't know enough about their --

MR. BUCHANAN: How would you like this to be sequenced, Your Honor?

THE COURT: Well, there should be a reply, okay, and if there's something unique about Kentucky law that's different from the others, you know, what happens to these breach of warranty claims as a result of the settlement. I guess that's my question.

MR. BUCHANAN: We'll certainly pass along your comments, Your Honor, and I'll ask them to confer with Ms. Feinstein.

THE COURT: Maybe that's a question for the settlement, how is the use affected.

MS. DUGGAN: Good morning, Your Honor. Sandra Duggan for the plaintiffs.

I would argue, Your Honor, that in light of the stay that you entered, that any claims for an economic loss in this litigation would, in fact, be stayed pending final approval of the settlement.

THE COURT: But it's not clear from the complaint -you know, like I said, my rudimentary understanding of the
breach of warranty is that it sounds in contract, and you are
limited by the remedies of the Uniform Commercial Code. Has
Kentucky adopted the Uniform Commercial Code? Almost every
jurisdiction has, but I don't know enough about Kentucky law.

MS. WEST FEINSTEIN: Your Honor, we are happy to prepare and file a reply, but I'll just note and a reminder for everyone that the relief we are seeking is only holding these motions in abeyance, a temporary stay until the opt-out period. Right?

So if this particular plaintiff has a hybrid claim, a personal injury element and an economic element, there's no prejudice to them if they wait until -- the Court waits until the opt-out period, they can opt in or opt out of the economic loss and then brief.

THE COURT: The discovery is still going apace here, and they did file a short form complaint in this case.

MS. DUGGAN: And the personal injury actions are not stayed. They are going forward and they are expressly carved out of the settlement.

THE COURT: Maybe you can talk to them about that.

MS. DUGGAN: We will communicate with plaintiffs' counsel.

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They did file a short form complaint in THE COURT: this case. So they are seeking, you know, I think the benefit of this litigation for themselves with all the discovery, it's going to be very expensive for them to undertake this independently. So maybe they don't understand what the stay is about.

MS. DUGGAN: That could very well be, Your Honor, and for leadership, we will communicate with the individual plaintiff's counsel and advise them of what happened here, as well as the deadline of two weeks to file a reply.

THE COURT: And maybe they are content if they understand that the stay doesn't affect the personal injury, that that's going apace here, and there's full-blown activity by the plaintiff's counsel to pursuing those claims.

MS. WEST FEINSTEIN: And, Your Honor, if I may, it might be worth trying to reach an agreement with this particular plaintiff rather than burdening the Court with a reply.

> You could do that, right. THE COURT:

MS. WEST FEINSTEIN: So if we could have a week or two to try to work an agreement?

THE COURT: You can have two weeks. You can file your reply within three weeks. So try to meet and confer, see what the problem is. Others seem to be satisfied. haven't objected.

And so the stay is going to be continued until I resolve the motion for the extension of the period to respond to the motions for remand. So they will not have to file a response until this last objection is resolved. Okay.

MS. WEST FEINSTEIN: Thank you, Your Honor.

MS. DUGGAN: Thank you, Your Honor.

THE COURT: Okay. Thank you.

MS. WEST FEINSTEIN: I'm just going to stay to the side because I'm up next, too.

THE COURT: Okay. Now we have the FDA's request for additional testing on recalled devices.

MS. WEST FEINSTEIN: Thanks, Your Honor. It's a lot of me today on behalf of Philips Respironics until the LDC report.

So we wanted to provide the Court with just a brief update with the latest information on Respironics testing program and feedback that the company received from the FDA.

As we've discussed with the Court previously, FDA required Respironics to publish all available testing results, third-party confirmed conclusions on the findings of that testing of the PE-PUR foam.

Two weeks ago, following up on the testing provided to date, we met with the FDA representatives of the company, as well as some outside counsel.

The FDA confirmed that it had reviewed the test data

and the conclusions submitted by Respironics on foam that was
used in the majority of the recalled devices.

After that meeting, after FDA issued a press release regarding the meeting, and FDA characterized -- and that press release was dated about I think October 5th.

FDA characterized Respironics testing as independent and extensive and, notably, FDA did not express any concerns with the validity or objectivity of the testing done to date, but at least as of right now, FDA did not believe that the testing and analysis conducted to date was sufficient to fully evaluate any potential risks to users.

So the FDA stated it believed certain additional testing should be completed and is necessary to support Respironics' conclusion that no appreciable harm to patients exists.

So importantly, and helpfully, FDA provided guidance to Respironics on the additional data they would like to see, and Respironics committed to conduct that additional testing and to developing and sharing proposed protocols with the FDA to align with the agency's request for additional data.

Respironics was pleased and welcomed this information from the FDA and is very eager to begin that additional testing.

The company has already submitted proposed test protocols to FDA addressing the additional data that FDA has

requested, and the company is awaiting FDA's feedback before it begins that additional testing.

Now, also FDA continues to require Respironics maintain prominently-displayed information regarding the risk of ozone cleaners on the recalled devices.

And so that's the latest update. We'll continue to provide additional updates to the Court as the company and the FDA work further on a supplemental testing plan, but we wanted to make sure that Your Honor and the Court was aware of the progress being made with FDA to date. Thank you.

MS. IVERSON: Your Honor, Kelly Iverson on behalf of plaintiffs.

Your Honor, a Class 1 recall only occurs when there is a reasonable probability that a product will cause serious adverse health consequences.

We were not surprised by the October 5th notice by the FDA that they have reaffirmed this as a Class 1 recall or that the FDA took issue with Philips' testing and its conclusions.

As we have said, each time they've come here, we have continued to believe that it's not appropriate to bring these matters to the court, that these are for experts to deal with at a later date, and plaintiffs maintain that position.

Thank you, Your Honor.

THE COURT: Thank you. Okay. Negotiations of the

schedule for the personal injury track.

MR. BUCHANAN: Your Honor, Dave Buchanan for plaintiffs.

We've sharpened I think our schedule up. The defendants and plaintiffs have extended competing proposals. We had a further conferral yesterday. I think we're fairly close at this point.

We've tried to take a count of the production pace, the witness pace and how we're doing in discovery.

MR. BUCHANAN: In terms of wrapping up the general causation-related disclosures, sometime -- I'm sorry. General causation discovery, wrapping up in the spring, Your Honor, and a full wrap up of general discovery in the summer. So, you know, backing that up a few months after general causation.

THE COURT: So what's your outside end date?

THE COURT: Okay. Thank you.

MS. WEST FEINSTEIN: Thank you, Your Honor. I would just add to what Mr. Buchanan said, that Special Master Katz was very helpful in helping us bridge a couple of issues, but we have had very productive discussions not only with the special master --

THE COURT: Is that schedule going to be presented to the Court then?

MS. WEST FEINSTEIN: It will we think hopefully later

this week or early next is our goal.

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MR. BUCHANAN: I think so, Your Honor. It certainly will be here by I think next week.

THE COURT: Okay. Thank you.

MR. BUCHANAN: Thank you.

MS. WEST FEINSTEIN: Thanks, Your Honor.

THE COURT: The state court litigation.

MS. WEST FEINSTEIN: Thank you, Your Honor.

So in Massachusetts, there are currently 19 total actions pending. Five have been consolidated and the defendants are seeking the consolidation of the other 14.

THE COURT: Are they all in the same court or different courts?

MS. WEST FEINSTEIN: It is my understanding that they are, Your Honor, and maybe a few outliers, but the majority are in the same court, and we're seeking special assignment to Judge Barry Smith, who has been handling those five consolidated.

The application for special assignment to Judge Barry Smith is pending, but it has been filed and then resubmitted to the chief justice. So we hope for a ruling there soon.

And also so Your Honor is aware, the Massachusetts plaintiffs have been attending some depositions. They are being -- we're communicating with them about the scheduling of depositions so that they are aware.

THE COURT: So they are coordinating that.

MS. WEST FEINSTEIN: Exactly. We're coordinating with them. They have attended a couple in person and I believe another by phone.

They haven't actively participated yet, but we have worked through a protocol with them so that they can participate and glean the information from those depositions as the plaintiffs in this litigation do. Thank you.

MR. BUCHANAN: Your Honor, Dave Buchanan again.

There have been no issues with regard to coordination. At this point it's been largely their attendance at depositions.

We have experienced, because there are several coordinated actions here, depositions extending beyond the day. I think that's to be expected when you've got witnesses who are being noticed once for multiple cases.

So to the extent they get more active, then perhaps that may extend things, but I think they have a limited period for their examinations to the depositions.

So it's been running smoothly so far. I note they have not yet received documents. So their participation has been I think more one of watching than actively questioning at this point.

THE COURT: I have reached out to Judge Smith, I think it was about twice. So do I need to call him again or

do you think things are going well as can be expected? 1 2 MR. BUCHANAN: Not from plaintiffs' perspective, Your 3 Honor. Everything is fine. MS. WEST FEINSTEIN: From defendant's perspective, 4 5 Your Honor, I don't think there's a need for you to call. Obviously, if the Court would like to --6 7 THE COURT: I have offered him to call me if he needs 8 to or if he thinks there's more active interplay that the 9 judges need to do to make things go smoothly. So I have offered that to him. 10 MS. WEST FEINSTEIN: Thank you. The parties 11 12 appreciate that very much. 13 And on the document point that Mr. Buchanan raised, 14 it is my understanding that the hard drives have been It's a significant amount of data and it took some 15 prepared. 16 time -- apparently how they needed to receive it was a little 17 less high tech than how the parties in the MDL have been 18 exchanging information. 19 So it's my understanding that those hard drives are 20 finally available and will be provided to those plaintiffs 21 either today or some time this week, but they are ready. MR. BUCHANAN: 22 I'm happy to let them know. 23 THE COURT: Okay. Thank you. Update on census registry. 24

MS. WEST FEINSTEIN: This is the last you'll hear

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1 from me for now. 2 So as of yesterday, Your Honor, there are 54,318 3 census registrants. MS. REICHARD: Good morning, Your Honor. 4 5 Reichard for plaintiffs. 6 We don't dispute that number at all. We do expect it 7 to continue to rise. THE COURT: 8 Okay. Thank you. 9 MS. WEST FEINSTEIN: Thank you. THE COURT: Leadership development update. 10 MR. SLOSS: Good morning, Your Honor. Ian Sloss for 11 12 plaintiffs. I can be brief. My colleagues on the LDC have all reported they are 1.3 14 very busy and happy with their assignments. Personally, I've 15 been participating in both offensive and defensive discovery, and I'm also very happy and busy. 16 17 THE COURT: So you've been engaging and have been 18 able to learn from the process so far? 19 MR. SLOSS: Yes, absolutely. I've also found the sessions with Special Master Katz particularly enlightening. 20 21 THE COURT: Okay. Good. Thank you. 22 MR. SLOSS: Thank you. MR. HUNCHUCK: Good morning, Your Honor. My name is 23 Steve Hunchuck from Morgan, Lewis & Bockius. I will be giving 24

a brief update on behalf of Philips RS.

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I just want to thank the Court and my colleagues for the chance to speak in front of you again. This is the second leadership development committee update I provided to Your Honor, and it still stands true that we in Pittsburgh are hosting some of the nation's top legal talent, including talent of our very own for this important MDL.

So a lot has happened since the last time I addressed the Court back in May. Since then, we have seen multiple reports and recommendations, depositions, and many, many documents.

I personally have been working with a talented team driving our affirmative discovery strategy, including negotiation with the plaintiffs, teeing up issues from the special master and planning future discovery needs, including, for example, developing internally our deposition strategy for the medical monitoring plaintiffs and refining our expert witness strategy; both components involving interoffice and cross-firm collaboration, which has been a great experience for me.

So with that, I'm grateful for the opportunities this MDL has provided and look forward to my continuing development.

THE COURT: What year of an associate are you? MR. HUNCHUCK: I'm entering my sixth year now, Your Honor, which is pretty crazy to believe.

THE COURT: It goes fast.

MR. HUNCHUCK: It really does. Thank you.

MR. FERRALL: Good morning, Your Honor. Conor Ferrall on behalf of the non Respironics defendants.

I want to start by thanking you for giving me the opportunity to speak. I just hit actually the two-year mark at our firm last month, and I started in our corporate group, and the opportunities that I have had in this case have helped me not only catch up to my peers, but get experience beyond what I would have ever expected in two years at a firm and particularly in connection with the hearing that we are going to have later today.

THE COURT: You have been working on the personal jurisdiction?

MR. FERRALL: Relatively closely. We have such a great team. One experience that's really stood out -- and I've worked with my colleagues Beth and Bethany who, unfortunately, can't be here today but had such a large part in this hearing, and this started, you know, back in May when they filed oppositions and they filed the report of Matthew Dundon, and Beth and Bethany and I got together and we went line by line, exhibit by exhibit and figured out, you know, how are we going to respond to this report of Matthew Dundon, and then when Your Honor asked for a more full record on the experts, we got the opportunity to engage in deposition prep,

and it was Beth's first offense at deposition, and I got to be a part of helping her prepare for that opportunity, and then, you know, we were really excited to get the team back together to prepare a cross for Your Honor to see. So we were pretty disappointed to hear that neither Dundon, nor Garbe are actually going to be at the hearing today, but really I think leading up to the hearing and throughout the whole opportunity, we just had so many good experiences to develop

THE COURT: Thank you.

MR. FERRALL: Thank you so much.

THE COURT: So I have one last thing, and that's the date for the hearing in November. It's going to be on November the 9th; is that correct?

as associates and to learn more things about the practice.

MR. MONAHAN: Yes.

THE COURT: Everybody is satisfied with that because I thought it was going to be later in the month because I had to move that, but if everybody is okay with the 9th, I think we're still all right with that. We'll start at -- can I see my law clerk for a minute?

(Pause noted)

THE COURT: I double-booked something else that day, but I'll move that other item so that we can keep that date.

We'll take care of that. Okay. So I think that should be no problem then.

1	So anything else for the status conference? Okay.
2	Then I think we need to get ready for the evidentiary hearing
3	on personal jurisdiction.
4	MR. BUCHANAN: We're prepared to proceed.
5	THE COURT: We can take a break and let everybody
6	move their materials around.
7	(The hearing concluded.)
8	CERTIFICATE
9	I, VERONICA R. TRETTEL, RMR, CRR, certify that the foregoing is a correct transcript from the record of
10	proceedings in the above-entitled case.
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12	\s\ \text{Veronica R. Trettel} \frac{10/18/2023}{\text{VERONICA R. TRETTEL, RMR, CRR}} \text{Date of Certification}
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