

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

IN RE: DIET DRUGS : MDL DOCKET NO. 1203
(PHENTERMINE, FENFLURAMINE, :
DEXFENFLURAMINE) PRODUCTS :
LIABILITY LITIGATION :
: :
THIS DOCUMENT RELATES TO: _____ :
: :
SHEILA BROWN, et al. :
: :
v. :
: :
AMERICAN HOME PRODUCTS :
CORPORATION : CIVIL ACTION NO. 99-20593

PRETRIAL ORDER NO.

(Authorization for "Final" Distribution of
the Supplemental Class Settlement Fund)

AND NOW, this 8th day of April, 2008, upon
consideration of the Joint Motion by the Fund Administrator,
Class Counsel and Seventh Amendment Liaison Committee for
Judicial Authorization to Make a "Final" Distribution of the
Supplemental Class Settlement Fund (the "Final Distribution
Motion"), it is hereby ORDERED, ADJUDGED AND DECREED that:

1. The Final Distribution Motion is GRANTED.
2. As used in this Order, capitalized terms shall have the same meanings that those terms have in the Seventh Amendment to the Nationwide Class Action Settlement Agreement with American Home Products Corporation ("Seventh Amendment").
3. The Court hereby authorizes a Distribution in the total aggregate amount of \$792,694,923.30 from the Supplemental Class Settlement Fund, representing the Balance of the Individual

Payment Amounts due to each of the Category One Class Members listed in Schedule IX to the Declaration and Report by the Seventh Amendment Fund Administrator in Support of the Joint Motion by the Fund Administrator, Class Counsel and Seventh Amendment Liaison Committee ("SALC") for Judicial Authorization to Make a "Final" Distribution of the Supplemental Class Settlement Fund (the "Final Distribution Report"), as follows:

- a. Beginning on a date that is not more than thirty (30) days from the date on which this Order has been entered, the Fund Administrator shall promptly draw checks payable to each unrepresented Category One Class Member listed on Schedule IX to the Final Distribution Report and shall draw checks that are jointly payable to each represented Category One Class Member and his or her primary attorney for the Balance of the Individual Payment Amount due each such Class Member as shown on Schedule IX to the Final Distribution Report, less the "Common Benefit Percentage";
- b. In Pretrial Order No. 7763, the Court determined that the Common Benefit Percentage is 6.4%. Therefore, in distributing the Balance of the Individual Payment Amount due each Class Member as shown on Schedule IX to the Final Distribution Report, the Fund Administrator shall first deduct an amount equal to the Common Benefit Percentage multiplied by the Individual Payment Amount for each such Class Member as calculated before

deduction of any amount previously paid to such Class Member pursuant to Pretrial Order Nos. 6875 and 7129;

- c. With respect to represented Class Members, the Fund Administrator shall promptly transmit the checks referred to in paragraph 3(a) of this Order to the primary attorney for the Class Member via overnight delivery, accompanied by a transmission letter in the form appended as Exhibit "N" to the Final Distribution Report. A copy of the transmission letter shall also be delivered by first-class mail to the Class Member at his or her last known address;
- d. With respect to unrepresented Class Members, the Fund Administrator shall promptly transmit the checks referred to in paragraph 3(a) of this Order to the Class Member via overnight delivery, accompanied by a transmission letter in the form appended as Exhibit "M" to the Final Distribution Report;
- e. The Fund Administrator shall not transmit any payment pursuant to Paragraph 3 of this Order unless and until it has received from the Class Member who is otherwise entitled to such payment a fully executed Release and Covenant Not to Sue in the form appended as Exhibit "F" to the Seventh Amendment; and
- f. In distributing the Balance of Individual Payment Amounts transmitted to counsel for represented Category One Class Members pursuant to Paragraph 3 of this

Order, the attorneys for such Class Members shall comply with the provisions of Sections XV.S, XV.T and XV.W of the Seventh Amendment, which specifically state:

S. Distribution of Proceeds. When a Class Member is represented by an attorney who is named as a joint payee on any check tendered by the Escrow Agent in payment of the Balance of the Individual Payment Amount, the attorney shall hold the proceeds of the check in the attorney's client escrow and/or trust account and shall distribute such proceeds to persons entitled to participate in such proceeds, including:

1. Any Derivative Claimants to the extent of 2% of the Individual Payment Amount;
2. Any amounts which the Class Member is obligated to pay to any Third Party Payor pursuant to Section XV.W; and
3. Any other persons having a legally recognized right to participate in the settlement proceeds.

Category One Class Members who are not represented by their own counsel shall distribute the proceeds of their check for Benefits Subject to Medical Review to the same groups, if any, identified in Section XV.S.1-3.

T. Attorneys' Fees. When a Class Member is represented by an attorney who is named as a joint payee on any check tendered by the Escrow Agent in payment of the Balance of the Individual Payment Amount, the attorney shall distribute the portion of the recovery payable to any and all attorneys as follows:

1. Payment to attorneys shall be in accordance with the terms of any applicable contingent fee contract and applicable law, provided that:
 - a. The attorney or attorneys may not charge or collect a

contingent fee that is, in the aggregate, larger than 40% of the total Individual Payment Amount, for all Class Members entitled to participate in the distribution of such Individual Payment Amount, as computed before deduction of the Common Benefit Percentage Amount;

- b. The Common Benefit Percentage Amount, if any, shall be deducted from the amount of fees to which such attorneys are entitled (as limited in Section XV.T.1.a) and shall not be deducted from the client's share of the recovery; and
- c. Each such attorney, by making such a distribution, agrees to and shall indemnify and hold harmless the Fund Administrator, the Escrow Agent, Wyeth, Class Counsel, and the members of the SALC, with respect to any and all liability for, and the actual costs of defending against, any and all claims that are or may be made that relate to the distribution of the proceeds by that attorney.

W. Subrogation and Other Third Party Payor Claims.

- 1. Each Category One Class Member and Category Two Class Member, and their attorney(s) if represented, covenants that any lawful outstanding liens or claims, whether asserted or unasserted, for reimbursement of medical expenses, including the cost of medical services, by any private subrogee or government entity, including any claims for reimbursement of medical expenses paid by Medicare, shall be satisfied after receipt of payment

from the Fund Administrator or the Trust. All such private subrogees and government entities shall be "Third Party Payors" for purposes of this Section.

4. The Court hereby authorizes a Distribution in the total aggregate amount of \$8,756,000.00 from the Supplemental Class Settlement Fund, representing Minimum Payment Amounts for all Category One Class Members who are listed in Schedules V and VI to the Final Distribution Report. The Minimum Payment Amount of \$2,000 shall be paid to each Category One Class Member listed on Schedules V and VI to the Final Distribution Report as follows:

- a. In the case of unrepresented Class Members listed on Schedules V and VI to the Final Distribution Report, beginning on a date that is not more than thirty (30) days from the date on which this Order has been entered, the Fund Administrator shall promptly draw checks in the amount of \$2,000 that are payable to each such Class Member, containing the endorsement legend specified in Section VII.B.2 of the Seventh Amendment, and shall promptly transmit such checks to such Class Members via first-class mail, accompanied by a transmission letter in the form appended as Exhibit "K" to the Final Distribution Report;
- b. In the case of each represented Class Member listed on Schedules V and VI to the Final Distribution Report, beginning on a date that is not more than thirty (30)

days from the date on which this Order has been entered, the Fund Administrator shall promptly draw: (i) a check in the amount of \$1,350 that is payable to each such Class Member individually, containing the endorsement legend specified in Section VII.B.2 of the Seventh Amendment and (ii) an additional check in the amount of \$650 that is jointly payable to each such Class Member and his or her primary attorney containing the endorsement legend specified in Section VII.B.2 of the Seventh Amendment, and shall promptly transmit such checks to such primary attorney for the Class Member via first-class mail, accompanied by a transmission letter in the form appended as Exhibit "L" to Final Distribution Report. A copy of the transmission letter shall also be delivered by first-class mail to the Class Member at his or her last known address; and

- c. In distributing the gross amounts transmitted to counsel for represented Category One Class Members pursuant to paragraph 4 of this Order, the attorneys for such Class Members shall comply with the provisions of Section XV.V of the Seventh Amendment, which states:

Distribution of Minimum Payment Amount. For Category One Class Members the Minimum Payment Amount shall be distributed as follows:

1. If the Class Member is represented by counsel, the Class Member's attorney shall be entitled to receive an amount not to exceed \$650 as full compensation for all

attorneys' fees and costs to which such counsel are entitled; and

2. The balance remaining after deduction of such payment to the Class Member's attorney or the sum of \$2,000 in those instances where the Class Member is unrepresented, shall be paid to the Diet Drug Recipient whose drug ingestion forms the basis of the claim or to the applicable Representative Claimant(s).

5. The Court hereby authorizes the Fund Administrator to distribute \$10,587,109.20 from the Settlement Fund to the AHP Settlement Trust pursuant to the terms of Section III.C of the Seventh Amendment, as specified in Schedule VIII to the Final Distribution Report, to account for prior payments by the Trust to Category One Class Members who received payment of Seventh Amendment Matrix Compensation Benefits at Matrix Levels III, IV and/or V during the pendency of the Seventh Amendment.

6. The Court hereby authorizes a Distribution in the total aggregate amount of \$6,133,019.20 from the Supplemental Class Settlement Fund, representing the Balance of the Individual Payment Amounts due to each of the Category One Class Members listed in Schedule VIII to the Final Distribution Report after deducting the amount to be paid to the Trust pursuant to paragraph 5 of this Order, if any, as follows:

- a. Beginning on a date that is not more than thirty (30) days from the date on which this Order has been entered, the Fund Administrator shall promptly draw checks payable to each unrepresented Category One Class

Member listed on Schedule VIII to the Final Distribution Report who is entitled to payment as shown on such Schedule and shall draw checks that are jointly payable to each represented Category One Class Member who is entitled to payment as shown on such schedule and his or her primary attorney for the balance of the Individual Payment Amount due each such Class Member remaining after deduction of the amount payable to the Trust under paragraph 5 of this Order, the amount of any prior distribution to such Class Member pursuant to Pretrial Order Nos. 6875 or 7129 and the Common Benefit Percentage;

- b. In distributing the Balance of the Individual Payment Amount due each Class Member as shown on Schedule VIII to the Final Distribution Report, the Fund Administrator shall first deduct an amount equal to the Common Benefit Percentage multiplied by an amount equal to the difference between the Individual Payment Amount for each such Class Member as calculated before deduction of any amount previously paid to such Class Member pursuant to Pretrial Order Nos. 6875 and 7129 and the amount to be paid to the Trust pursuant to paragraph 5 of this Order;
- c. With respect to represented Class Members, the Fund Administrator shall promptly transmit the checks referred to in paragraph 6(a) of this Order to the

primary attorney for the Class Member via overnight delivery, accompanied by a transmission letter in the form appended as Exhibit "N" to the Final Distribution Report. A copy of the transmission letter shall also be delivered by first-class mail to the Class Member at his or her last known address;

- d. With respect to unrepresented Class Members, the Fund Administrator shall promptly transmit the checks referred to in paragraph 6(a) of this Order to the Class Member via overnight delivery, accompanied by a transmission letter in the form appended as Exhibit "M" to the Final Distribution Report;
- e. The Fund Administrator shall not transmit any payment pursuant to paragraph 6 of this Order unless and until it has received from any Category One Class Member who is otherwise entitled to such payment a fully executed Release and Covenant Not to Sue in the form appended as Exhibit "F" to the Seventh Amendment; and
- f. In distributing the Balance of Individual Payment Amounts transmitted to counsel for represented Category One Class Members pursuant to paragraph 6 of this Order, the attorneys for such Class Members shall comply with the above-quoted provisions of Sections XV.S, XV.T and XV.W of the Seventh Amendment.

7. All checks issued pursuant to this Order shall be drawn on the Supplemental Class Settlement Funds on deposit with PNC Bank, N.A., Escrow Agent.

8. In the copies of the transmission letters that the Fund Administrator is required to send to represented Class Members under paragraphs 3(c) and 4(b) of this Order, the Fund Administrator may affix a legend on such copies that states: "PLEASE NOTE THAT THIS IS A COPY of the letter and check(s) sent to your attorney. You must contact your attorney for information regarding your claim and/or check."

9. The Class Members listed on Schedule VII to the Final Distribution Report as having "fatally deficient" claim submissions with no proof of Diet Drug use shall not receive any payment from the Supplemental Class Settlement Fund.

10. Each Class Member who has received any distribution pursuant to Pretrial Order Nos. 6875 or 7129, each Class Member who is identified on Schedules I through IX to the Final Distribution Report, and the attorneys for each such Class Member are RESTRAINED AND ENJOINED from taking any action with the Fund Administrator to obtain benefits from the Supplemental Class Settlement Fund other than as authorized in Pretrial Order Nos. 6875 or 7129 or as authorized herein, or which otherwise seeks to persuade, convince, cajole or otherwise influence the Fund Administrator to alter or amend its Final Adjudication of any claim for the payment of benefits from the Supplemental Class Settlement Fund; provided, however, that nothing herein shall be

construed to deprive or impair such rights that any Class Member may have otherwise had to judicial or appellate review.

11. The balance of the Supplemental Class Settlement Fund that is not subject to distribution hereunder shall remain on reserve: (a) to pay the remaining costs and expenses incurred by the Fund Administrator; (b) to pay any claims by Category One Class Members other than those identified on Schedules I through IX to the Final Distribution Report and those who received a final distribution of Minimum Payment Amounts pursuant to Pretrial Order Nos. 6875 or 7129; (c) for pro rata distribution among all Category One Class Members who are entitled to receive payment of Individual Payment Amounts and (d) to pay the Trust such additional amounts as it may be entitled to under the provisions of Section III.C of the Seventh Amendment. Funds on reserve hereunder shall be subject to distribution only as directed by subsequent order(s) of the Court.

BY THE COURT:

/s/ Harvey Bartle III

C.J.