

THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE DIET DRUGS)
(PHENTERMINE/FENFLURAMINE/
DEXFENFLURAMINE) PRODUCTS) MDL No. 1203
LIABILITY LITIGATION)
_____))
SHEILA BROWN, et al. v. AMERICAN) CIVIL ACTION No. 99-20593
HOME PRODUCTS CORPORATION)

**SUBMISSION OF THE AHP SETTLEMENT TRUST OF
AMENDED PROPOSED PRETRIAL ORDER IN CONNECTION
WITH ITS PREVIOUS SUBMISSION OF ITS OPERATIONS PLAN**

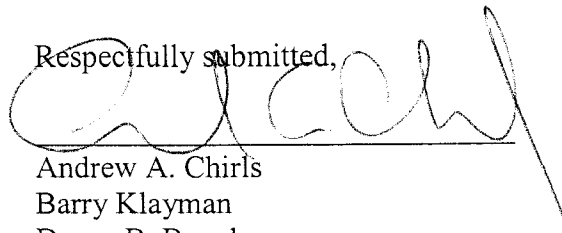
**(Authorizing Certain Proposed Court Approved Procedures and Suspending Deadlines
and Time Periods as Proposed in the Trust's Operations Plan)**

As discussed at the status conference conducted by the Court on August 21, 2003, the AHP Settlement Trust (the "Trust") hereby submits its amended proposed Pretrial Order which seeks suspension of certain deadlines and time periods and authorization for three proposed Court Approved Procedures.

The Trust submits this amended proposed Pretrial Order to clarify that it is not seeking Court approval or review of the entirety of the Trust's Operations Plan. Rather, the Trust seeks only the relief specifically enumerated in the amended proposed order submitted herewith.

In support of this motion, the Trust will submit its amended Memorandum of Law in accordance with the briefing schedule previously ordered by the Court.

Respectfully submitted,



Andrew A. Chirls
Barry Klayman
Deena B. Beard
Attorneys for AHP Settlement Trust

OF COUNSEL:
Wolf, Block, Schorr and Solis-Cohen LLP
1650 Arch Street, 22nd Floor
Philadelphia, PA 19103
(215) 977-2000

Dated: September 17, 2003

3. The proposed CAPs present methods by which the Trustees, through the Trust, seek to carry out certain of their fiduciary obligations in cases where the Settlement Agreement left open the opportunity for development of these procedures and operational methods.

4. The three proposed CAPs include (a) a Court Approved Procedure for a Pro Se Claim Completeness Assistance Program staffed by Class Counsel, (b) a Court Approved Procedure Authorizing Steps to Minimize Processing After Claimants Have Three Opportunities to Complete Non-Matrix Claims and to Encourage Claimants to Act Timely in Completing Claims, and (c) a Court Approved Procedure for Implementation of the Medical Services Component of the Cash and Medical Services Benefit Program. The reasons why the Trust views these CAPs as reasonable and appropriate appear in Sections 7, 8, and 9 of the Operations Plan as well as the CAPs themselves.

CAP Authorizing the AHP Settlement Trust to Take Steps to Minimize Processing After Claimants Have Three Opportunities to Complete Non-Matrix Claims and to Encourage Claimants to Act Timely in Completing Claims

5. The Settlement Agreement does not require Class Members to file complete claim packages by a date certain. Instead, the Settlement Agreement places the burden on the Trust to provide Class Members at least three opportunities to complete claims. These and other processing requirements limited the Trust's ability to efficiently fulfill its obligations under the Settlement Agreement.

6. To alleviate many uncertainties and inefficiencies that arise from the problems described in Section 7 of the Operations Plan, the Trust requests that the Court adopt a Court Approved Procedure Authorizing the Trust to Take Steps to Minimize Processing After Claimants Have Three Opportunities to Complete Non-Matrix Claims and to Encourage Claimants to Act Timely in Completing Claims. This CAP will authorize the Trust to deem claims to be closed if the claimant has not responded to three deficiency letters informing the

claimant of the need to submit missing information and of the consequences of failing to submit missing information. In addition, this CAP will provide notice to all non-Matrix claimants that their claims will be closed if they do not submit the information within a specified, finite and reasonable period of time, subject only to the Court allowing them to submit information beyond the time limit. The Trust anticipates that it will make the exchange of information more orderly, thereby reducing the number of deficiency letters and the degree of claimant dissatisfaction arising from repetitive and overlapping letters. It also will give the Trust financial and operational certainty so that it may eventually reach finality in non-Matrix claims administration. Finally, it will allow the Trust eventually to reduce the staff that is needed to process non-Matrix claims information that may otherwise trickle in for an indefinite period.

Medical Services CAP

7. The Medical Services benefit provides certain medical procedures enumerated in the Settlement Agreement. This benefit is rarely requested and tends to be misunderstood by those who choose it, or is elected to allow the claimant to retain opt-out rights.

8. Because there are only approximately 2,000 claimants who have stated that they are seeking Medical Services benefits, and because there is no time limit for receiving the medical services that are covered by the Medical Services benefit, the Trustees are concerned that any obligation to establish and maintain a network of physicians to provide the Medical Services benefit will be tremendously costly and inefficient. The Trust's reasons for seeking approval of the Medical Services CAP appears in Section 7 of the Operations Plan. A method of providing the Medical Services benefit by reimbursement of qualified Class Members when they receive the required medical services is proposed and provided for in the proposed Medical Services CAP. This CAP allows the Trust to reimburse Class Members for their out-of-pocket

costs upon receipt of covered medical services benefits, in lieu of the Trust providing such services.

Use of Class Counsel's Claims Office

9. The Trust and the Parties have explored how personnel from the Class Counsel Claims Office ("CCCO") could assist the Trust in helping pro se Class Members to complete claims.

10. To that end, the Trust has proposed a Pro Se Claim Completeness Assistance Program. This proposed CAP is an extension of CAP 3 authorizing the AHP Settlement Trust and Class Counsel to assist pro se Class Members in completing their claims. The Parties believe that the proposed CAP will increase the Trust's efficiency in handling pro se claims and will provide these Class Members with an important service.

Suspension of Certain Deadlines

11. As described in Section 9 of the Operations Plan, the Trust received more than 244,000 forms and more than 656,000 other pieces of correspondence from claimants in the first six months of 2003. Given these high volumes, the Trust will not be in compliance with processing deadlines as described in the Settlement Agreement for some time. The Settlement Agreement's imposition of deadlines for processing large volumes was not realistic given the high volumes, the differing deadlines for different benefits to be rendered, and the fluctuations in the type of mail that has been received.

12. Additionally, the Settlement Agreement provides no explicit mechanism to "close," or finally resolve, a claim other than finally paying a claimant up to the maximum amount. With claims getting reviewed, but closing only in payment situations where benefit maximums are reached, backlogs of claims requiring further review build on top of an already

large volume of recent claim filings. Reasonable resource requirements dictate that the Trust prioritize which claims to process first. Any such prioritization eliminates the possibility of meeting the deadlines stipulated in the Settlement Agreement. Since a procedure for closing benefits and claims has not yet been authorized and could not be reasonably implemented to clear the backlog of claims to be reviewed any time in the near future, the processing deadlines as written in the Settlement Agreement should be suspended as set forth in the form of Order submitted to the Court.

13. The Operations Plan also presents a plan for reporting to the Court, the Parties and Class Members so that they may assess the progress of the Trust's efforts to meet its fiduciary obligations to administer the Settlement Agreement.

14. The Plan outlines a set of new standardized reports that are intended to provide processing and productivity information to the Court, the Parties and Class Members for assessing the operation and progress of the Trust and proposes a schedule for their preparation and distribution.

15. This reporting system will be a more effective tool for the Court, the Parties and Class Members to measure its progress in implementing the Settlement Agreement than afforded by the deadlines and time periods the Trust seeks to suspend.

16. The Court finds that the time frames presented in the Operations Plan, as opposed to certain deadlines and time frames contained in the Settlement Agreement, are reasonable and appropriate in light of the circumstances. The Court also finds that the proposed comprehensive monthly reporting requirements are consistent with the Court's prior Pretrial Order Nos. 2663 and 2881 and will improve the Court's, the Parties' and Class Member's ability to measure the Trust's progress.

ORDER

1. By separate Orders, the Court approves CAP No. _____, CAP No. _____ and CAP No. _____ as requested by the Trust and the Parties.

2. Except as otherwise provided in paragraph 3, the following deadlines and time periods under the Settlement Agreement for processing claims for benefits payable from Matrix A and Matrix B as set forth in the Settlement Agreement shall continue to be suspended until February 29, 2004, or such further time as the Court may Order:

(a) the requirements of § VI.C.3.a.2-4 related to the processing of claims for Matrix Compensation and other Benefits, except that the requirement of § VI.C.3.a.4 that within thirty (30) days of receipt of a claim the Trust inform the class member, in writing, of the unique identifying number assigned to the class member's claim is not suspended;

(b) the requirements of § VI.C.3.g and VI.C.3.h;

(c) the requirements of § VI.C.3.i and VI.C.3.j;

(d) the requirement of § VI.C.3.k;

(e) the requirement of § VI.C.3.l; and

(f) the requirement of § VI.C.3.n.

3. The provisions of paragraph 2(a) above do not relieve the Trust of its obligation to provide Wyeth with access to completed Matrix claims pursuant to § VI.F.1 of the Settlement Agreement within five days of determining that a Claim for Matrix Level Benefits is complete within the meaning of §§ VI.C.2 and VI.C.4 of the Settlement Agreement and to make tentative determinations of such claims within the time periods otherwise applicable under the Settlement Agreement upon determination that a Claim for Matrix benefits is complete. Nothing in this paragraph or order shall be construed to relieve the Trust of its obligations to meet the deadlines set forth in §§ VI.C.3.a.1 and VI.C.4.e-n of the Settlement Agreement

4. This Order supersedes Pretrial Order No. 2663 and Pretrial Order No. 2881, which shall have no further force or effect. This Order shall have no effect on the Trust's obligation to provide specific quarterly and annual reports required by the Settlement Agreement.

5. On the last day of each month and until further order of this Court, the Trust shall file with the Court a report on the operations of the Trust for the prior month in the format set forth in the Operations Plan.

6. The Trust shall file with the Court, on the forty-fifth (45th) day following the close of every quarter, until further order of this Court, a Statement of Changes in Net Assets Available for Claims in the format set forth in the Operations Plan.

7. The reports and other filings required by this Order shall be filed with the Clerk of the Court and served on the Parties. Posting on the Trust's web site, www.settlementdietdrugs.com, promptly after filing in a format that permits downloading and printing shall be sufficient as service on any Class Member except in cases where a Class Member informs counsel for the Trust that the Class Member requires service of a printed copy of such reports and filings.

8. Capitalized terms used in this Order shall have the same meaning as corresponding capitalized terms used in the Settlement Agreement.

BY THE COURT:

J.