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1:91-cv-00256-HJW-SM Bowling, et al, v. Pfizer Inc, et al **CASE CLOSED on 09/10/1992**
CLOSED, R/R, SalePending, SuppressAnsRpt

U.S. District Court
Southern District of Ohio

Notice of Electronic Filing

The following transaction was entered by Lawson, Nancy on 4/15/2009 at 2:33 PM EDT and filed on 4/15/2009

Case Name: Bowling, et al, v. Pfizer Inc, et al
Case Number: 1:91-cv-256
Filer: Peter J Strauss
James A. Higgins

WARNING: CASE CLOSED on 09/10/1992

Document Number: 2592

Docket Text:

NOTICE by Trustee James A. Higgins, Special Master Peter J Strauss of Filing of the Thirtieth Report of the Special Masters/Trustees Covering the Period from October 9, 2008 to April 15, 2009 (Attachments: # (1) Exhibit 1, # (2) Exhibit 2, # (3) Exhibit 3, # (4) Exhibit 4, # (5) Exhibit 5) (Lawson, Nancy)

1:91-cv-256 Notice has been electronically mailed to:

Brian Wolfman brian@citizen.org

Fay Elizabeth Stilz faystilz@wsbclaw.cc

Gregory J Wallance gwallance@kayescholer.com

Harry Bernard Plotnick harry@plotnicklaw.net

Jack B Harrison jharrison@fbtlaw.com

James Albert Higgins jhiggins2@cinci.rr.com

James Ralph Adams jadams@fbtlaw.com

James T Capretz jcapretz@capretz.com

John T Johnson johnjohnson@jtjpc.com

Marc David Mezibov mmezibov@mezibov.com, abutcher@mezibov.com, slawrence@mezibov.com

Maris Veidemanis mveidemanis@kayescholar.com

Mark Alan VanderLaan mark.vanderlaan@dinslaw.com

Nancy Ann Lawson nancy.lawson@dinslaw.com

Stanley Morris Chesley stanchesley@wsbclaw.com

1:91-cv-256 Notice has been delivered by other means to:

Bruce A Finzen
800 LaSalle Ave
Suite 2800
Minneapolis, MN 55402-2015

David B Malone
Taft, Stettinius & Hollister, LLP
1717 Dixie Highway
Suite 340
Covington, KY 41011-4704

John Weld Peck
Peck Shaffer & Williams
900 PNC Center
201 East Fifth Street
Cincinnati, OH 45202

Morton B Wapner
115 S 21st St
Philadelphia, PA 19103-4483

Peter J Strauss
Bowling Pfizer Trustees
PO Box 3598
Cincinnati, OH 45201

Thomas Collins Rink
Strauss & Troy - 1
The Federal Reserve Building
150 E Fourth Street
4th Floor
Cincinnati, OH 45202-4018

Vance C Simonds , Jr
Kasdan Simonds Peterson McIntyre Epstein & Martin
2600 Michelson DriveCMECF.widgit.ProcessingWindowDestroy() > Tenth Floor
Irvine, CA 92715-1550

The following document(s) are associated with this transaction:

Document description:Main Document
Original filename:n/a
Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-0] [762956bb44de1800134f07bcf0d3ffa5ab4cd435885c7963e65ee84d1b4a3764b735b3c7f242fd4bbeac361d4d950124105898e44e25866d053de5c77ea2176b]]

Document description:Exhibit 1

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-1] [1be791a525cae2b94de04e469e0d6f7da9ca64a2abcf31aec89a149e82034ae4cd26e948a7b7e8dd4aa04e6278c8ff5aca80ee3dd580447df3433cbdea579610]]

Document description:Exhibit 2

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-2] [3413d457b19adb2cc39589e1a7a325b3f185d51f5efed3afff49811e3ad96c5a43bc2da6e604088f34e34be77fd2ac5d7ac145585da36f997c4a0135e6f0d0c1]]

Document description:Exhibit 3

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-3] [2eb84322f290d45d99026804e168cc9179541d9c6c1e773fbe4a35e5a025a1ce3e5bb52c27774b0f96588cb397baeb3ebd4e0b3420c81baefb9ddb85ca42c5f2]]

Document description:Exhibit 4

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-4] [291d8c36bf34cfbcad4086508b9f34f6e80874c0b2568774f6214b114d8acf0cffdabf8c73361c5c548cd122dd4d5396758a7c9e287d2b51342933e34b7756ad]]

Document description:Exhibit 5

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1040326259 [Date=4/15/2009] [FileNumber=2231627-5] [521289b5b4d3401157f61b2226ac98fda70b521839b6f753598b3b3a97622e36c08a67055ae6dbccba81e0e6f9b71eeeb4c8cb69291bae2f9226c373291d08d8]]

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

ARTHUR RAY BOWLING, ET AL.,	:	
PLAINTIFF,	:	No. C-1-91-256
v.	:	
PFIZER, INC. ET AL.,	:	JUDGE HERMAN J. WEBER,
DEFENDANT.	:	SENIOR JUDGE
	:	
	:	
	:	
	:	

**NOTICE OF FILING OF THE THIRTIETH REPORT OF THE
SPECIAL MASTERS/TRUSTEES COVERING THE PERIOD
FROM OCTOBER 9, 2008 TO APRIL 15, 2009**

NOTICE IS HEREBY GIVEN to all counsel of record that the THIRTIETH REPORT OF THE SPECIAL MASTERS/TRUSTEES COVERING THE PERIOD FROM OCTOBER 9, 2008 to APRIL 15, 2009 is hereby filed with the Court.

Respectfully submitted,

/s/ Nancy A. Lawson
Nancy A. Lawson (0012699)
DINSMORE & SHOHL LLP
1900 Chemed Center
255 East Fifth St.
Cincinnati, OH 45202
(513) 977-8200
*Attorney for
Special Masters/Trustees*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

IN RE: : Case No. C-1-91-256
: :
BOWLING-PFIZER LITIGATION : Judge Herman J. Weber,
: Senior Judge

THIRTIETH REPORT OF THE SPECIAL MASTERS/TRUSTEES
COVERING THE PERIOD FROM OCTOBER 9, 2008 TO APRIL 15, 2009

SPECIAL MASTERS/TRUSTEES

James A. Higgins, Esq.
Peter J. Strauss, Esq.

AGENDA

THIRTIETH REPORT OF THE SPECIAL MASTERS/TRUSTEES

In Re: Bowling-Pfizer Litigation

Case No. C-1-91-256

April 30, 2009
11:00 A.M.

Hon. Herman J. Weber, Senior Judge

1. Introductory remarks by Judge Weber.
2. Report of the Special Masters/Trustees.
3. Comments from Counsel:
 - Class Counsel.
 - Counsel for Defendants.
4. Questions and comments from those in attendance.
5. Request for date of next report of Trustees.
6. Closing remarks of Judge Weber.

TABLE OF CONTENTS

- A. Thirtieth Report of the Special Masters/Trustees
- B. Appendices to Court Report
 - 1. Summary of Research
 - 2. "Hit Report" regarding the Supervisory Panel's Website.
 - 3. Summary of the Status of Funding for the Settlement at December 31, 2008.
 - 4. Unaudited balance sheet as of December 31, 2008 and an unaudited statement of income and funds balance for the year ended December 31, 2008.
 - 5. Independent Auditors' Report for the year ended December 31, 2007.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

IN RE: : **Case No. C-1-91-256**
BOWLING-PFIZER LITIGATION : **Judge Herman J. Weber,**
: **Senior Judge**

THIRTIETH REPORT OF THE SPECIAL MASTERS/TRUSTEES

To the Honorable Herman J. Weber, Senior Judge, United States District Court:

Your Special Masters/Trustees respectfully present their thirtieth periodic report, covering activities from October 9, 2008 to April 15, 2009. This report is submitted fifteen days prior to the status hearing before the Court scheduled for April 30, 2009.

I. PATIENT BENEFIT FUND

A. Supervisory Panel. The research project for ACES to study the BSCC heart valve sound recordings made on patients who participated in the imaging studies at Stanford and Beaumont has been completed. Unfortunately, the quality of the imaging study recordings was not at a level which permitted ACES to successfully analyze the acoustic signals of the heart valves therein. The panel is waiting on the outcome of the study by Dr. J. de Hart of HemoLab Cardiovascular Engineering in The Netherlands entitled "Outlet strut vibratory response study of BSCC valves at disc-strut closure impact" prior to considering possible next steps with ACES. The purpose of that study is to conduct in vitro research on seven BSCC heart valves, including the valve which had been implanted in a sheep at BioSurg, but was misclassified. The results of Phase I (static study of valves in air) of the study are expected in April, 2009.

The Supervisory Panel received a proposal from MedicAlert to provide emergency alert services to class members in Europe. After discussions with representatives from MedicAlert and with counsel, the Panel decided not pursue the proposal at this time because the Panel is still hopeful of developing a device or method that will give class members important information about the status of their valves and funds need to be preserved for this research.

A renewal agreement for the Penn State University, Hershey Imaging Program was approved by the Court on October 27, 2008 for a period of an additional six months or until the \$160,000 funding authorized by the Court is expended. As of February 28, 2009, the balance of funds remaining for this program was \$65,338. The Panel has recommended another six-month extension of this program.

In December 2008, Drs. Harrison and Weyman and the Chair of the Supervisory Panel along with John Johnson made an on-site visit to Hershey Medical Center. As a result of that visit, the Panel is in preliminary discussions with Hershey regarding Hershey's review of cine fluoroscopy films of BSCC heart valve patients.

In October 2008, Class Counsel requested that the panel consider posting a list of high-risk valves on the Bowling Pfizer website. After review of the materials submitted, the Panel decided not to post such a list as it is the Panel's position that such a list would undermine the guidelines and create confusion for the vast majority of class members who do not qualify for payment of surgical benefits under the guidelines.

At the April 30, 2008 hearing with the Court, the Court requested that the Trustees investigate the ramifications of indemnification by the Trust of the parties who are not otherwise protected by insurance in the event that the trust funds dwindle to the extent that indemnification is meaningless. The Trustees analyzed this issue and determined that commercial insurance should be investigated. The Trustees have investigated commercial insurance and have submitted several

applications for insurance. In each instance, the carriers either declined to provide coverage for the members of the Supervisory Panel or imposed such exclusions from their proposed coverage as to make the coverage pointless in relation to eliminating the risk of indemnification of the members of the Panel by the Trust. At this time the Trustees are not optimistic that satisfactory insurance can be obtained for the members of the Supervisory Panel. The Trustees will pursue this matter if circumstances change and a carrier is located that will provide coverage for the members of the Supervisory Panel. The Trustees will continue to report to the Court on the status of this matter.

B. Guidelines. Drs. Harrison, Ibrahim and Ivey regularly monitor the pertinent world-wide literature and review reported events occurring to class members to ensure that any issues which may impact the guidelines are detected and considered by the full panel. They have found no information indicating the need to change the Guidelines at this time.

C. Research. Our report on the status of the research program of the Supervisory Panel is set out in the attached Appendix 1.

D. Imaging. Since the imaging program at Penn State resumed again, effective April 26, 2005, there have been eleven imaging sessions for seven implantees who may qualify for valve replacement surgery. One implantee was imaged three times and two implantees were imaged two times during this period.

E. Repository. The Supervisory Panel maintains a repository of certain documents and information concerning the BSCC heart valve. The repository contains reports on the results of research sponsored by the Supervisory Panel, minutes of meetings of the Supervisory Panel, a bibliography of published literature regarding the BSCC heart valves, certain unpublished reports prepared by Dr. Ron Brookmeyer of his statistical analysis, the Bowling Settlement Agreement, and other information. The repository is available electronically in a database. Some of the information, such as published articles are not available for review due to copyright and other intellectual

property concerns. To access the on-line repository, an individual need only contact the Trustees' office for the website address and a password.

F. Website. The Supervisory Panel's website continues to be found at www.bowling-pfizer.com. It provides basic information on the parties involved (biographies, addresses, telephone numbers, email, etc.), certain orders of the Court including the Guidelines, the Settlement Agreement, Trustee Reports and a bibliography of relevant articles as well as other important information. The panel prepared a summary of key studies which is intended to provide a more user-friendly bibliography. This user-friendly bibliography is available on the website. A copy of the most recent "hit report" of the Supervisory Panel's website is attached to this Report as Appendix 2.

G. Valve Replacement Surgery Claims and Fracture Claims.

The Claims Administrator continues to receive and process claims for valve replacement surgery and outlet strut fracture. Some of the claimants have elected other courses of action rather than to receive the Settlement benefits.

From the beginning there have been 98 (74 foreign) qualified outlet strut fracture claims and 99 (39 foreign) qualified valve replacement surgery claims other than single leg fracture claims. In addition, there have been 39 (16 foreign) single leg fracture claims.

The office of the Claims Administrator continues to fulfill requests to calculate estimated annual fracture rates under the 2007 Guidelines and to respond to other inquiries from and on behalf of Class Members.

II. FINANCIAL INFORMATION

At December 31, 2008, the total balance of cash and cash equivalents was \$21,880,946.

Attached as Appendix 3 are a summary of the status of funding for the Settlement and five related schedules.

Attached as Appendix 4 are the following: an unaudited balance sheet as of December 31, 2008 and an unaudited statement of income and funds balance for the year ended December 31, 2008 (which includes the budgeted amounts for expenses for the administrative office for the year ended December 31, 2008).

Attached as Appendix 5 is a copy of the Independent Auditors' Report for the year ended December 31, 2007.

III. COMMUNICATIONS

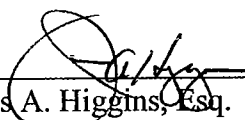
Communications remain open, whether with physicians, Class Members, other BSCC heart valve implantees, Class Counsel, Special Counsel, Defendant's Counsel, or Counsel for Public Citizen.

IV. APPROVALS


Your honor, the Special Masters/Trustees request that the Court:

- Approve this Report, and
- Approve, or provide guidance with respect to, each of the Appendices to this Report, and
- Provide guidance with respect to any duty of the Special Masters/Trustees, and
- Fix the date for the next Report.

Respectfully submitted,



James A. Higgins, Esq.



Peter J. Strauss, Esq.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this Thirtieth Report of the Special Master/Trustee Covering Period from October 9, 2008 to April 15, 2009, has been electronically sent to the following this 15th day of April, 2009.

Stanley M. Chesley, Esq.
Fay E. Stilz, Esq.
Paul DeMarco, Esq.
Waite, Schneider, Bayless & Chesley Co., LPA
1513 PNC Tower
5 West Fourth Street
Cincinnati, OH 45201

Brian Wolfman, Esq.
Public Citizen
1600 20th Street, NW
Washington, D.C. 20009-1001

Jack B. Harrison, Esq.
Frost Brown Todd LLC
2200 PNC Center
201 East Fifth Street.
Cincinnati, OH 45202

James T. Capretz, Esq.
5000 Birch Street
Suite 2500
Newport Beach, CA 92660

John T. Johnson, Esq.
55 Waugh Drive, Suite 505
Houston, TX 77007

Gregory Wallance, Esq.
Kaye Scholer LLP
425 Park Avenue
New York, NY 10022

/s/ Nancy A. Lawson

Nancy A. Lawson

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SUPERVISORY PANEL SUMMARY OF RESEARCH PROJECTS (as of April 6, 2009)

A. Current Epidemiology Projects		Effective Date	Termination Date	Description of Project	Current Status	Contract Amount	Billed To Date
None							
B. Current Imaging & Acoustic Projects		Effective Date of Contract	Termination Date	Description of Project	Current Status	Contract Amount	Billed To Date
1.	Hershey Imaging	10/27/08	4/28/09	Radiographic Imaging to Detect SLS		\$160,000	\$94,662
2.	Hemolab Cardiovascular (Jurgen de Hart)	12/10/08	8/9/09	Study of second harmonic in BSCC valves.		€75,000	0
C. Projects Completed During Quarter							
3.	ACES	7/14/08	12/22/08	Analysis of acoustic recordings of human volunteers		\$37,900	\$37,900
D. Approved Research Projects Pending Contract							
None							
E. Proposed Research Projects							

Hit Report for Bowling-Pfizer.com

	July 2008	August 2008	September 2008
Total Visits	2382	1957	1503
Average Daily Visits	76	63	50
Average Visit Length	14:50	11:58	13:22
Median Visit Length	7:55	3:50	4:59
International Visits	3.14%	3.27%	3.32%
US Visits	88.32%	89.78%	71.05%
Unknown Origin Visits	8.52%	6.94%	25.61%
Unique Visitors	386	271	380
One-Time Visitors	221	169	259
Multiple-Time Visitors	165	102	101
Top Downloads	Update - 48 times	Class Letter 2003 - 39 times	Settlement - 37 Times
	Amended 2003 - 41 times	Haynes - 36 times	Pamphlet - 30 Times
	Haynes - 40 times	Guidelines - 35 times	Bibliography - 27 Times
	28th Report - 40 times	Legal Notice to Class - 34 times	Haynes - 25 Times
	Spanish Translation - 37 times	Bibliography - 34 times	Guidelines - 25 Times
	November 2007 Update - 36 times	28th Report - 33 times	Patient Notice - 22 Times
	10th Report - 36 times	20th Report - 33 times	German Guidelines - 20 Times
Total Downloads	719	644	406
Top Visitors Locations	Redmond, WA	Redmond, WA	Redmond, WA
	Altadena, CA	Seal Beach, CA	Seal Beach, CA
	Seal Beach, CA	Altadena, CA	Reston, VA
	Stamford, CT	Reston, VA	Stamford, CT
	Cincinnati, OH	Stamford, CT	Cincinnati, OH
Countries viewing the site	United States	United States	United States
	Canada	Canada	Australia
	Germany	Seychelles	Japan
	China	Japan	Germany
	United Kingdom	Germany	Seychelles
	Australia	Taiwan	Ireland
	Seychelles	India	China
	Netherlands	Belgium	Canada

Hit Report for Bowling-Pfizer.com

July 2008

August 2008

September 2008

States/Provinces Viewing Site	July 2008	August 2008	September 2008
Washington	Washington	Washington	Washington
California	California	California	California
Connecticut	Connecticut	Connecticut	Connecticut
Virginia	Virginia	Virginia	Virginia
Ohio	Ohio	Ohio	Ohio
Tennessee	Tennessee	Tennessee	Tennessee
Ontario	Ontario	Ontario	Ontario
New York	New York	New York	New York
Maryland	Maryland	Maryland	Maryland
Colorado	Colorado	Colorado	Colorado
Texas	Texas	Texas	Texas
Illinois	Illinois	Illinois	Illinois
Mississippi	Mississippi	Mississippi	Mississippi
Alabama	Alabama	Alabama	Alabama
Georgia	Georgia	Georgia	Georgia
Florida	Florida	Florida	Florida
North Carolina	North Carolina	North Carolina	North Carolina
South Carolina	South Carolina	South Carolina	South Carolina
Arkansas	Arkansas	Arkansas	Arkansas
Louisiana	Louisiana	Louisiana	Louisiana
Missouri	Missouri	Missouri	Missouri
Indiana	Indiana	Indiana	Indiana
Ohio	Ohio	Ohio	Ohio
Michigan	Michigan	Michigan	Michigan
Illinois	Illinois	Illinois	Illinois
Wisconsin	Wisconsin	Wisconsin	Wisconsin
Minnesota	Minnesota	Minnesota	Minnesota
Iowa	Iowa	Iowa	Iowa
Missouri	Missouri	Missouri	Missouri
Nebraska	Nebraska	Nebraska	Nebraska
South Dakota	South Dakota	South Dakota	South Dakota
North Dakota	North Dakota	North Dakota	North Dakota
Montana	Montana	Montana	Montana
Wyoming	Wyoming	Wyoming	Wyoming
Idaho	Idaho	Idaho	Idaho
Utah	Utah	Utah	Utah
Arizona	Arizona	Arizona	Arizona
California	California	California	California
Nevada	Nevada	Nevada	Nevada
Oregon	Oregon	Oregon	Oregon
Washington	Washington	Washington	Washington
Alaska	Alaska	Alaska	Alaska
Hawaii	Hawaii	Hawaii	Hawaii

Search Engine & Reference -

Yahoo	Yahoo	Yahoo
MSN	Google	Google
Google	MSN	MSN

Top Domain Types

Network (.net) - 1250	Network (.net) - 1027	Commercial (.com) - 584
Commercial (.com) - 872	Commercial (.com) - 744	Network (.net) - 498
Educational (.edu) - 4	Organization (.org) - 2	Organization (.org) - 2
Government (.gov) - 1	Educational (.edu) - 2	Educational (.edu) - 2
Organization (.org) - 1		

** - NOTE - Site went active on

Hit Report for Bowling-Pfizer.com

	August 2008	September 2008	October 2008
Total Visits	1987	1603	2660
Average Daily Visits	63	50	85
Average Visit Length	1:58	1:32	1:10
Median Visit Length	3:50	4:59	5:43
International Visits	3.27%	3.32%	2.29%
US Visits	89.78%	71.05%	59.88%
Unknown Origin Visits	6.94%	25.64%	37.84%
Unique Visitors	271	360	481
One-Time Visitors	169	259	310
Multiple-Time Visitors	102	101	171

Top Downloads	Class Letter 2003 - 39 Times	Settlement - 37 Times	Class Letter 2003 - 54 Times
Haynes - 36 Times	Pamphlet - 30 Times	Twenty Eighth Report - 44 Times	
Guidelines - 36 Times	Bibliography - 27 Times	Doctors Letter 2003 - 39 Times	
Legal Notice to Class - 34 Times	Haynes - 25 Times	Summary 2003 - 38 Times	
Bibliography - 34 Times	Guidelines - 25 Times	Twenty First Report - 36 Times	
28th Report - 33 Times	Patent Notice - 22 Times	Bibliography - 36 Times	
20th Report - 33 Times	German Guidelines - 29 Times	Filing 29th Report - 36 Times	
Total Downloads	644	406	733

Top Visitors Locations	Redmond, WA	Redmond, WA	Redmond, WA
Seal Beach, CA	Seal Beach, CA	Seal Beach, CA	Redmond, WA
Altadena, CA	Reston, VA	Reston, VA	Seal Beach, CA
Reston, VA	Stamford, CT	Stamford, CT	Reston, VA
Stamford, CT	Cincinnati, OH	West Newton, Massachusetts	Stamford, CT
United States	United States	United States	United States
Canada	Australia	Germany	Germany
Seychelles	Japan	Japan	Japan
Japan	Germany	United Kingdom	United Kingdom
Germany	Seychelles	Canada	Canada
Taiwan	Poland	Seychelles	Seychelles
India	China	Belgium	Belgium
Belgium	Canada	Poland	Poland

Hit Report for Bowling-Pfizer.com

August 2008

September 2008

October 2008

States/Provinces viewing site	August 2008	September 2008	October 2008
Washington	Washington	Washington	Washington
California	California	California	California
Virginia	Virginia	Virginia	Virginia
Ohio	Ohio	Ohio	Connecticut
Connecticut	Connecticut	Tennessee	Massachusetts
Colorado	Colorado	Ontario	Maryland
Texas	Texas	New York	New Jersey
Maryland	Maryland	Maryland	Tennessee
Tennessee	Tennessee	Massachusetts	New York
Search Engine & Reference -	Yahoo	Yahoo	Yahoo
	Google	Google	Google
	MSN	MSN	MSN
Top Domain Types	Network (.net) - 1027	Commercial (.com) - 584	Network (.net) - 805
	Commercial (.com) - 744	Network (.net) - 498	Commercial (.com) - 792
	Organization (.org) - 2	Organization (.org) - 2	Organization (.org) - 4
	Education (.edu) - 2	Education (.edu) - 2	Education (.edu) - 3
			Government (.gov) - 1

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Hit Report for Bowling-Pfizer.com

September 2008 October 2008 November 2008

Total Visits	1503	2660	1317
Average Daily Visits	50	85	73
Average Visit Length	13:22	18:10	15:41
Median Visit Length	4:59	5:43	3:48
International Visits	9.32%	2.29%	3.33%
US Visits	71.05%	59.88%	78.03%
Unknown Origin Visits	25.61%	37.84%	18.62%
Unique Visitors	360	481	487
One-Time Visitors	259	310	321
Multiple-Time Visitors	101	171	166

Top Downloads	Settlement - 37 Times	Class Letter 2003 - 54 Times	Report 15 - 57 Times
	Pamphlet - 30 Times	Twenty Eighth Report - 44 Times	20th Report - 55 Times
	Bibliography - 27 Times	Doctors Letter 2003 - 39 Times	French Translation - 49 Times
	Haynes - 25 Times	Summary 2003 - 38 Times	Report 13 - 48 Times
	Guidelines - 25 Times	Twenty First Report - 36 Times	German Guidelines - 45 Times
	Patient Notice - 22 Times	Bibliography - 36 Times	Filing 22nd Report - 44 Times
	German Guidelines - 20 Times	Filing 23rd Report - 36 Times	Filing 23rd Report - 44 Times
Total Downloads	406	733	888

Top Visitors Locations	Redmond, WA	Redmond, WA	Redmond, WA
	Seal Beach, CA	Seal Beach, CA	Seal Beach, CA
	Reston, VA	Reston, VA	Cincinnati, OH
	Stamford, CT	Stamford, CT	Atlanta, GA
	Cincinnati, OH	West Newton, Massachusetts	Stamford, CT
Countries viewing the site	United States	United States	United States
	Australia	Germany	Japan
	Japan	Japan	Canada
	Germany	United Kingdom	Germany
	Seychelles	Canada	Belgium
	Poland	Seychelles	Netherlands
	China	Belgium	France
	Canada	Poland	Italy

Hit Report for Bowling-Pfizer.com

September 2008

October 2008

November 2008

States/Provinces	Viewing site	September 2008	October 2008	November 2008
Washington	Washington	1	1	1
California	California	1	1	1
Virginia	Virginia	1	1	1
Ohio	Ohio	1	1	1
Tennessee	Tennessee	1	1	1
Ontario	Ontario	1	1	1
New York	New York	1	1	1
Maryland	Maryland	1	1	1
Massachusetts	Massachusetts	1	1	1

Search Engine & Reference -

Search Engine & Reference	September 2008	October 2008	November 2008
Yahoo	1	1	1
Google	1	1	1
MSN	1	1	1

Top Domain Types	September 2008	October 2008	November 2008
Commercial (.com)	584	805	869
Network (.net)	498	792	966
Organization (.org)	2	4	5
Education (.edu)	2	3	3
Government (.gov)	1	1	1

** - NOTE - Site went active on

Hit Report for Bowling-Pfizer.com

October 2008 November 2008 December 2008

Total Visits	2660	1417	2199
Average Daily Visits	85	73	70
Average Visit Length	19.10	15.41	13.51
Median Visit Length	5.43	3.48	6.39
International Visits	2.29%	3.33%	2.27%
US Visits	59.88%	78.03%	75.48%
Unknown Origin Visits	37.81%	18.62%	22.23%
Unique Visitors	481	487	424
One-Time Visitors	310	321	256
Multiple-Time Visitors	171	166	168

Top Downloads	Class Letter 2003 - 54 Times	Report 15 - 57 Times	French Translation - 69 Times
	Twenty Eighth Report - 44 Times	20th Report - 55 Times	Settlement - 62 Times
	Doctors Letter 2003 - 39 Times	French Translation - 49 Times	20th Report - 46 Times
	Summary 2003 - 38 Times	Report 13 - 48 Times	German Translation - 41 Times
	Twenty First Report - 36 Times	German Guidelines - 48 Times	Haynes - 39 Times
	Bibliography - 36 Times	Filing 22nd Report - 44 Times	Doctor Letter 2003 - 39 Times
	Filing 23rd Report - 36 Times	Filing 23rd Report - 44 Times	Summary 2003 - 37 Times
Total Downloads	733	888	743

Top Visitors Locations	Redmond, WA	Redmond, WA	Redmond, WA
	Seal Beach, CA	Seal Beach, CA	Seal Beach, CA
	Reston, VA	Cincinnati, OH	Pittsburgh, PA
	Stamford, CT	Alexandria, VA	Cincinnati, OH
	West Newton, Massachusetts	Stamford, CT	Cincinnati, OH
Countries viewing the site	United States	United States	United States
	Germany	Japan	Canada
	Japan	Canada	Taiwan
	United Kingdom	Germany	Netherlands
	Canada	Belgium	Seychelles
	Seychelles	Netherlands	Japan
	Belgium	France	France
	Poland	Italy	Germany

Hit Report for Bowling-Pfizer.com

October 2008

November 2008

December 2008

States/Provinces viewing site

October 2008	November 2008	December 2008
Washington	Washington	Washington
California	California	California
Virginia	Ohio	Pennsylvania
Connecticut	Minnesota	Virginia
Massachusetts	Connecticut	Ohio
Maryland	Tennessee	Connecticut
New Jersey	Illinois	Tennessee
Tennessee	Colorado	Colorado
New York	Maryland	Ontario

Search Engine & Reference -

October 2008	November 2008	December 2008
Yahoo	Yahoo	Yahoo
Google	Google	Google
MSN	SearchMe	SearchMe

Top Domain Types

October 2008	November 2008	December 2008
Network (.net) - 805	Commercial (.com) - 869	Network (.net) - 845
Commercial (.com) - 792	Network (.net) - 868	Commercial (.com) - 800
Organization (.org) - 4	Education (.edu) - 5	Education (.edu) - 21
Education (.edu) - 3	Organization (.org) - 3	Government (.gov) - 3
Government (.gov) - 1	Government (.gov) - 1	Organization (.org) - 3

** - NOTE - Site went active on

Hit Report for Bowling-Pfizer.com

November 2008

December 2008

January 2009

Total Visits	1,477	2,189	2,372
Average Daily Visits	73	70	76
Average Visit Length	5:41	13:51	14:39
Median Visit Length	3:48	6:39	6:01
International Visits	3.33%	2.27%	2.01%
US Visits	78.03%	75.48%	85.10%
Unknown Origin Visits	18.62%	22.23%	12.87%
Unique Visitors	487	424	402
One-Time Visitors	321	256	264
Multiple-Time Visitors	166	168	138

Top Downloads	Report 15 - 57 Times	French Translation - 69 Times	Settlement - 62 Times
	20th Report - 55 Times	Settlement - 62 Times	French Translation - 52 Times
	French Translation - 49 Times	20th Report - 46 Times	Bibliography - 40 Times
	Report 13 - 48 Times	German Translation - 41 Times	20th Report - 40 Times
	German Guidelines - 48 Times	Haynes - 39 Times	Precautions - 39 Times
	Filing 22nd Report - 44 Times	Doctor Letter 2003 - 39 Times	Pamphlet - 39 Times
	Filing 23rd Report - 44 Times	Summary 2003 - 37 Times	Filing 22nd Report - 37 Times
Total Downloads	888	743	761

Top Visitors Locations	Redmond, WA	Redmond, WA	Redmond, WA
	Seal Beach, CA	Seal Beach, CA	Seal Beach, CA
	Cincinnati, OH	Pittsburgh, PA	Rochester, NY
	Aladena, CA	Aladena, CA	Hamden, VA
	Stamford, CT	Cincinnati, OH	Stamford, CT
Countries viewing the site	United States	United States	United States
	Japan	Canada	Japan
	Canada	Taiwan	Canada
	Germany	Netherlands	Netherlands
	Belgium	Seychelles	Seychelles
	Netherlands	Japan	France
	France	France	Australia
	Italy	Germany	Spain

Hit Report for Bowling-Pfizer.com

November 2008

December 2008

January 2009

States/Provinces viewing site	November 2008	December 2008	January 2009
Washington	Washington	Washington	Washington
California	California	California	California
Ohio	Pennsylvania	New York	New York
Minnesota	Virginia	Virginia	Virginia
Connecticut	Ohio	Connecticut	Connecticut
Tennessee	Tennessee	Ohio	Ohio
Illinois	Tennessee	Massachusetts	Massachusetts
Colorado	Colorado	Texas	Texas
Maryland	Ontario	Tennessee	Tennessee
Search Engine & Reference -	Yahoo	Yahoo	Yahoo
	Google	Google	Google
	SearchMe	SearchMe	SearchMe

** - NOTE - Site went active on

Top Domain Types	Commercial (.com) - 869	Network (.net) - 845	Commercial (.com) - 1115
	Network (.net) - 866	Commercial (.com) - 800	Network (.net) - 897
	Education (.edu) - 5	Education (.edu) - 21	Government (.gov) - 7
	Organization (.org) - 3	Government (.gov) - 3	Organization (.org) - 7
	Government (.gov) - 1	Organization (.org) - 3	Education (.edu) - 3

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Status of Funding for the Settlement

December 31, 2008

Overall Status of Funding

Schedule 1 herewith presents the status of funding for all categories of expenditures of the Settlement. The total of the remaining amount column represents the total assets of the Settlement Fund as of December 31, 2008.

Status of Administration Expenses

The 20 year anticipated budget for administration expenses was prepared in September 2004 which was prior to, and independent of, the Supervisory Panel's plan for continuing operation (COP). The anticipated budget amounts for the years 2005 through 2009 were generally based upon the level of expenses at the time of and preceding the preparation of the budget in September 2004. It would have been appropriate to have provided a reserve for contingencies. However, it was considered that the overall budget amounts may be adequate to cover unknown contingencies. Schedule 2 herewith presents the budget for administration expenses for the twenty years 2005 through 2024. This schedule was included in the COP as SCHEDULE I.

Schedule 3 herewith presents the actual expenses for 2005 through 2008 and the remaining budgeted amounts through 2024.

Schedule 4 herewith presents a comparison of the actual administration expenses with the budgeted amounts for the period January 1, 2005 through December 31, 2008. As the schedule indicates, the actual expenses are under the budgeted expenses by \$2,657,400 for that time period.

Status of Research Expenses

Schedule 5 herewith presents an overall comparison of the actual research expenses with those set out in the COP. More detailed information regarding the research expenses has been provided in the Trustees' reports to the Court.

Supervisory Panel - Fees and Expenses

The COP provided \$3,000,000 for future compensation and expenses of the Supervisory Panel. Compensation and expenses of the Supervisory Panel are subject to approval by the Court on a monthly basis.

Status of Guidelines Notification

The COP provided \$400,000 for the costs of notification of the 2007 Amended Guidelines and one additional potential notification to BSCC heart valve implantees and physicians. The notification of the 2007 Amended Guidelines was completed.

Medical Expense Component - Valve Replacement Surgery Benefits

The COP provided \$2,300,000 for the potential future costs of the medical expense component for qualifying BSCC heart valve replacement surgeries. To date none of these funds have been required.

Class Registration Notice

In an effort to locate unregistered Class Members, a notice was published in seven foreign and thirteen U.S. newspapers. The notice was also placed on the domestic and foreign newswires. This program has been completed.

Unallocated per COP

The unallocated amount in the COP represents the remaining funds after the allocation of funds for specific purposes.

Additional Unallocated Funds at December 31, 2008.

At December 31, 2008 there were additional unallocated funds in the amount of \$3,661,200 principally representing interest income on the investment of funds in U.S. Treasury bills. The anticipated budget did not consider any income from invested funds, nor increases in expenses due to inflation, but considered that these items would offset. At the time the budget was prepared the interest rate on T-bills was as low as 1.008%, however, the interest rate subsequently rose to as high as 5.318%. The current interest rate is less than 1%. To date the expenses have been within the amounts budgeted.

Revision of Budgeted Amounts

After a determination is made as to any future research for the Supervisory Panel and as to whether or not there will be a BSCC heart valve diagnostic center established for testing Class Members, it may be appropriate to revise the budgets for all categories of expenses.

However, any budgeted amounts over actual expenses in these earlier years may be needed to cover future unknown contingencies, and to provide administration for an indefinite period of time which to some extent is anticipated to go beyond 20 years. It is estimated that there will be 2,300-2,900 60° BSCC heart valve implantees living in January 2025. There may also be a nominal number of 70° BSCC heart valve implantees living at that time.

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Summary of Allocation of Available Funds

December 31, 2008

	<u>Budget Per COP</u>	<u>Actual Through 12/31/08</u>	<u>Remaining Amount</u>
ADMINISTRATION EXPENSES	\$17,800,000	\$5,682,600	\$12,117,400 (1)
RESEARCH EXPENSES	6,331,200	4,315,900	2,015,300 (2)
SUPERVISORY PANEL - FEES AND EXPENSES	3,000,000	2,131,000	869,000
GUIDELINES NOTIFICATION	400,000	192,400	207,600
MEDICAL EXPENSE COMPONENT-VALVE REPLACEMENT SURGERY BENEFITS	2,300,000		2,300,000
CLASS REGISTRATION NOTICE	300,000	279,400	20,600
ACCOUNTS PAYABLE PER COP	1,058,200	1,058,200	
ACCOUNTS PAYABLE - 12/31/08		(166,000)	166,000
UNALLOCATED PER COP	530,100		530,100
ADDITIONAL UNALLOCATED-PRINCIPALLY INTEREST INCOME 2/1/05-12/31/08		(3,661,200)	3,661,200
	<u>\$31,719,500</u>	<u>\$9,832,300</u>	<u>\$21,887,200 (3)</u>

(1)-See Schedule 3 herewith.

(2)-See Schedule 5 herewith.

(3)-Total assets at December 31, 2008.

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Anticipated Budget – Administration Expenses – 2005 through 2024

	Five Years 2005 thru 2009	Five Years 2010 thru 2014	Ten Years 2015 thru 2024	TOTAL Twenty Years 2005 thru 2024
CLASS & SPECIAL COUNSEL	\$ 3,000,000	\$ 750,000	\$ 750,000	\$ 4,500,000
PUBLIC CITIZEN	200,000	100,000	100,000	400,000
TRUSTEES	1,000,000	500,000	500,000	2,000,000
COUNSEL FOR TRUSTEES	2,000,000	500,000	500,000	3,000,000
ADMINISTRATOR/ CLAIMS ADMINISTRATOR	2,000,000	500,000	500,000	3,000,000
ADMINISTRATIVE OFFICE	2,000,000	800,000	1,700,000	4,500,000
AUDIT	100,000	100,000	200,000	400,000
TOTAL	<u>\$10,300,000</u>	<u>\$3,250,000</u>	<u>\$4,250,000</u>	<u>\$17,800,000</u>

The above does not include the costs of the research programs and related expenses, fees and expenses of the Supervisory Panel, notification expenses and costs of performing services for any approved diagnostic techniques. The above also does not include the medical expense component of valve replacement surgery benefits, which is an ongoing obligation while monies remain in the Patient Benefit Fund.

For the years 2005 through 2009 the amounts are generally based upon the current level of expenses. For the time periods 2010 through 2014, and 2015 through 2024 the amounts are based upon an estimated level of expenses, since it is not known at this time if any diagnostic techniques may become available for routine use for Class Members.

The above does not consider any income from invested funds, nor increases in expenses due to inflation, but considers that these items would offset. Also, income from any patent or technology rights resulting from the Supervisory Panel's research is not considered.

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Administration Expenses - 2005 through 2024

	Budget 2005 thru 2024	Actual 1/1/05-12/31/08	Remaining Amount thru 2024
CLASS & SPECIAL COUNSEL	\$4,500,000	\$1,577,200	\$ 2,922,800
PUBLIC CITIZEN	400,000	87,100	312,900
TRUSTEES	2,000,000	248,300	1,751,700
COUNSEL FOR TRUSTEES	3,000,000	647,600	2,352,400
ADMINISTRATOR/ CLAIMS ADMINISTRATOR	3,000,000	1,481,500	1,518,500
ADMINISTRATIVE OFFICE	4,500,000	1,587,000	2,913,000
AUDIT	400,000	53,900	346,100
TOTAL	<u>\$17,800,000</u>	<u>\$5,682,600</u>	<u>\$12,117,400</u>

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Administration Expenses - 2005 through 2024

	January 1, 2005 - December 31, 2008		
	<u>Budget</u>	<u>Actual</u>	<u>Under Budget</u>
CLASS & SPECIAL COUNSEL	\$2,400,000	\$1,577,200	\$ 822,800
PUBLIC CITIZEN	160,000	87,100	72,900
TRUSTEES	800,000	248,300	551,700
COUNSEL FOR TRUSTEES	1,600,000	647,600	952,400
ADMINISTRATOR/ CLAIMS ADMINISTRATOR	1,675,000	1,481,500	193,500
ADMINISTRATIVE OFFICE	1,625,000	1,587,000	38,000
AUDIT	80,000	53,900	26,100
	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$8,340,000</u>	<u>\$5,682,600</u>	<u>\$2,657,400</u>

TRUSTEES FOR THE BOWLING-PFIZER HEART VALVE SETTLEMENT FUNDS

Continuing Operation of the Supervisory Panel

Research Expenses

		<u>Budget Per COP</u>	<u>Actual thru 12/31/08</u>	<u>Remaining Amount</u>
Ongoing research - COP	(1)	<u>\$2,021,500</u>	<u>\$1,930,500</u>	<u>\$ 91,000</u>
New research - Diagnostic device -				
Committed thru 12/31/08	(1)	2,270,000	1,651,300	618,700
Not yet committed		1,859,700		1,859,700
Committed-not in COP	(1)		571,500	(571,500)
	(2)			
New research - Guidelines and Epidemiology	(1)	20,000	68,000	(48,000)
Hershey imaging program		160,000	94,600	65,400
		<u>\$4,309,700</u>	<u>\$2,385,400</u>	<u>\$1,924,300</u>
TOTAL		<u>\$6,331,200</u>	<u>\$4,315,900</u>	<u>\$2,015,300</u>

(1) - These research programs have been completed or terminated.

(2) - There is an additional committed research program in the amount of 75,000 Euros which will reduce the remaining amount for research expenses. There were no expenses incurred yet for this program at December 31, 2008.

TRUSTEES FOR THE BOWLING-PFIZER
HEART VALVE SETTLEMENT FUNDS

BALANCE SHEET

AS OF DECEMBER 31, 2008

UNAUDITED

ASSETS

CASH	\$ 79,750
U.S. TREASURY BILLS	21,801,196
OTHER ASSETS	<u>6,289</u>
	<u>\$ 21,887,235</u>

LIABILITIES AND FUNDS BALANCE

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 165,984
FUNDS BALANCE	<u>21,721,251</u>
	<u>\$ 21,887,235</u>

TRUSTEES FOR THE BOWLING-PFIZER
HEART VALVE SETTLEMENT FUNDS

STATEMENT OF INCOME AND FUNDS BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2008

UNAUDITED

INVESTMENT INTEREST INCOME	<u>\$ 547,344</u>
RESEARCH PROGRAMS - COSTS	<u>52,733</u>
LITIGATION ATTORNEYS - FEES & EXPENSES	<u>339,769</u>
EXPENSES:	
Supervisory Panel	263,798 (1)
Trustees' fees and expenses	47,946
Professional fees	163,611
Administrative office	<u>574,609 (1)</u>
Total	<u>1,049,964</u>
NET CHANGE IN FUNDS BALANCE	(895,122)
FUNDS BALANCE, DECEMBER 31, 2007	<u>22,616,373 (2)</u>
FUNDS BALANCE, DECEMBER 31, 2008	<u>\$ 21,721,251</u>

(1) - See Schedule 1 herewith.

(2) - This amount is different than the balance in the audited financial statements due to accruing certain expenses on the unaudited financial statements to more currently reflect the financial condition of the Settlement Funds.

**TRUSTEES FOR THE BOWLING-PFIZER
HEART VALVE SETTLEMENT FUNDS**

**SCHEDULE OF EXPENSES
UNAUDITED**

	<u>BUDGET</u>	<u>ACTUAL</u>
	<u>1/1/08-12/31/08</u>	<u>1/1/08-12/31/08</u>
SUPERVISORY PANEL:		
Panel members' compensation		\$ 225,040
Consultants' compensation		27,050
Travel and incidental expenses		4,369
Miscellaneous		<u>7,339</u>
Total		<u>\$ 263,798</u>
 ADMINISTRATIVE OFFICE:		
Rents	\$ 68,000	\$ 67,043
Office payroll	413,000	390,709
Payroll taxes	28,000	30,316
Employee benefits	76,000	72,136
Outside services	12,000	2,325
Printing and postage	6,000	1,810
General insurance	3,000	1,035
Telephone	9,000	7,807
Office supplies and expense	6,000	4,453
Miscellaneous	6,000	555
Administrative services income	<u>(5,000)</u>	<u>(3,580)</u>
Total	<u>\$ 622,000</u>	<u>\$ 574,609</u>

Bowling-Pfizer Heart Valve Litigation Settlement Fund

Financial Statements — Modified Cash
Basis as of and for the Years Ended December 31,
2007 and 2006, and Independent Auditors' Report



Deloitte & Touche LLP
250 East Fifth Street
Suite 1900
P.O. Box 5340
Cincinnati, OH 45201-5340
USA

Tel: +1 513 784 7100
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Bowling-Pfizer Heart Valve Litigation Settlement Fund:

We have audited the accompanying statements of assets, liabilities, and fund balance — modified cash basis of the Bowling-Pfizer Heart Valve Litigation Settlement Fund (the “Fund”) as of December 31, 2007 and 2006, and the related statements of income, expenses, and change in fund balance — modified cash basis, and of cash flows — modified cash basis for the years then ended. These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the financial statements, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities, and fund balance of the Fund at December 31, 2007 and 2006, and its income, expenses, and change in fund balance, and its cash flows for the years then ended, on the basis of accounting described in Note 2.

DELOITTE & TOUCHE LLP

September 23, 2008

BOWLING-PFIZER HEART VALVE LITIGATION SETTLEMENT FUND

STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE — MODIFIED CASH BASIS AS OF DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
CASH	\$ 348,259	\$ 447,973
INVESTMENTS	22,384,957	23,357,384
OTHER ASSETS	<u>5,977</u>	<u> </u>
TOTAL	<u>\$22,739,193</u>	<u>\$23,805,357</u>
LIABILITIES AND FUND BALANCE		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 94,532	\$ 257,180
FUND BALANCE	<u>22,644,661</u>	<u>23,548,177</u>
TOTAL	<u>\$22,739,193</u>	<u>\$23,805,357</u>

See notes to modified cash basis financial statements.

BOWLING-PFIZER HEART VALVE LITIGATION SETTLEMENT FUND

STATEMENTS OF INCOME, EXPENSES, AND CHANGE IN FUND BALANCE — MODIFIED CASH BASIS FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
INCOME — Net investment income	\$ <u>1,131,800</u>	\$ <u>1,190,387</u>
EXPENSES:		
Litigation attorneys — fees and expenses	416,474	879,833
Research programs	25,567	1,296,246
Supervisory panel expenses	339,959	583,060
Trustees' fees and expenses	34,083	70,534
Notification expense	192,419	279,405
Professional fees	134,966	213,742
Other administrative expenses	<u>891,848</u>	<u>835,727</u>
Total expenses and benefit payments	<u>2,035,316</u>	<u>4,158,547</u>
DECREASE IN FUND BALANCE	(903,516)	(2,968,160)
FUND BALANCE — Beginning of year	<u>23,548,177</u>	<u>26,516,337</u>
FUND BALANCE — End of year	<u>\$22,644,661</u>	<u>\$23,548,177</u>

See notes to modified cash basis financial statements.

BOWLING-PFIZER HEART VALVE LITIGATION SETTLEMENT FUND

STATEMENTS OF CASH FLOWS — MODIFIED CASH BASIS FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in fund balance	\$ (903,516)	\$ (2,968,160)
Adjustments to reconcile decrease in fund balance to net cash used in operating activities		
Decrease (increase) in other assets	(5,977)	43
Decrease in accounts payable and accrued expenses	<u>(162,648)</u>	<u>(592,663)</u>
Net cash used in operating activities	<u>(1,072,141)</u>	<u>(3,560,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(45,284,162)	(48,269,342)
Sale of investments	<u>46,256,589</u>	<u>51,200,469</u>
Net cash provided by investing activities	<u>972,427</u>	<u>2,931,127</u>
DECREASE IN CASH	(99,714)	(629,653)
CASH:		
Beginning of year	<u>447,973</u>	<u>1,077,626</u>
End of year	<u>\$ 348,259</u>	<u>\$ 447,973</u>

See notes to modified cash basis financial statements.

BOWLING-PFIZER HEART VALVE LITIGATION SETTLEMENT FUND

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. ORGANIZATION AND GENERAL INFORMATION

The Bowling-Pfizer Heart Valve Litigation Settlement Fund (the "Fund") is the result of a settlement between Pfizer Inc. ("Pfizer") and its wholly owned subsidiary Shiley Incorporated ("Shiley") and a class of plaintiffs ("Plaintiffs") consisting of all persons who were alive on January 23, 1992, with a Bjork-Shiley Convexo-Concave (BSCC) heart valve still implanted, and their spouses on that date, except those persons who filed valid and timely requests for exclusion from the class.

The settlement required that Pfizer/Shiley pay a minimum of \$165 million to the Fund to settle the claims of the Plaintiffs. Certain provisions exist whereby Pfizer may be required to pay additional amounts to the Fund based on certain criteria as defined in the settlement. The minimum settlement is allocated between the "Patient Benefit Fund" (\$75 million) and the "Consultation Fund" (\$90 million).

The Patient Benefit Fund is to be used for: research and development of diagnostic techniques to identify implantees who may have a significant risk of strut fracture and to make such diagnostic techniques available to Plaintiff implantees; research concerning the characterization and/or reduction of the risks of valve replacement surgery; and payment of covered medical expenses for qualifying surgery to explant, due to the risk of strut fracture, a Plaintiff implantee's BSCC heart valve and replace it with another prosthetic heart valve.

The research activities of the Patient Benefit Fund are supervised by a Supervisory Panel (the "Panel"). The Panel, subject to Court approval, shall adopt and amend guidelines for valve replacement surgery. Also, the Panel will create a publicly accessible repository of information concerning the status of the research and the risks of valve fracture and of valve replacement. The Panel is made up of six members who are recognized scientific or medical experts and one member who is not a scientist or physician.

The Consultation Fund, initially \$80,000,000 for Plaintiff implantees, was intended to provide Plaintiff implantees with funds to obtain medical and psychological consultation as they deem best. It was to be divided equally among qualified Plaintiff implantees after paying or providing for fees and expenses to be paid out of the implantee portion of the Fund. In addition, \$10,000,000 was paid into the Fund which was paid, after fees and expenses, equally to all qualified Plaintiff spouses.

The terms of the settlement required Pfizer/Shiley to initially deposit \$12,500,000 into the Patient Benefit Fund. Additionally, beginning on the second anniversary of the final approval of the settlement, Pfizer/Shiley was required to make annual deposits into the Patient Benefit Fund of not less than \$6,250,000 until a total of \$75,000,000 had been paid.

Pfizer/Shiley paid \$80,000,000 to the Consultation Fund in 1992. In 1994, Pfizer/Shiley paid \$10,000,000 to the Consultation Fund and \$12,500,000 to the Patient Benefit Fund. Pfizer/Shiley also paid \$6,250,000 annually in 1996 through 2005 to the Patient Benefit Fund. Pfizer/Shiley made the last fund payment during 2005 to fulfill the \$165 million dollar settlement.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The Fund prepares its financial statements on the modified cash basis of accounting. Therefore, it records interest receivable for interest earned not yet received, taxes receivable (payable) (see Note 5), and accounts payable for expenses when incurred rather than when paid (modified cash basis). Under this basis all settlement payments by Pfizer/Shiley are recognized when received and all benefit payments and Plaintiffs' counsel fees and expenses are recognized when paid rather than when incurred. Also pension expense is recognized when paid rather than when incurred and no minimum liability is recorded.

Settlement Payments — All Consultation Fund claims submitted by each claimant were reviewed for qualification by the Fund and payments of qualified claims were approved by the Court.

Litigation Attorneys, Fees, and Expenses — Represents Court approved payments to Plaintiffs' counsel and to Public Citizen, Inc.

Other Assets — Other assets represent prepaid expenses for the Fund.

3. INVESTMENTS

Investments at December 31, 2007 and 2006, consist of short term (less than 6 month maturity) U.S. treasury bills and are carried at cost plus accrued interest. The market value of such investments was approximately \$22,297,000 and \$23,207,000, at December 31, 2007 and 2006, respectively.

4. OPERATING LEASES

The Fund leases its office facilities under an agreement classified as an operating lease from an unrelated party. Total future minimum lease payments due are as follows:

2008	\$ 64,163
2009	<u>16,151</u>
Total	<u>\$ 80,314</u>

5. TAX STATUS

For Federal income tax purposes, the Fund is treated as a taxable designated settlement fund under Section 468(B) of the Internal Revenue Code. The Fund is required to pay taxes on the excess of interest income earned over expenses incurred for the administration of the Fund. The settlement payments by Pfizer/Shiley, benefit payments, and payment of Plaintiffs' counsel fees and expenses are not taxable transactions.

In March 1996, the Fund requested a ruling from the Internal Revenue Service regarding the taxability of the Fund and the deductibility of certain disbursements from the Fund. In January 1997, the Fund received a favorable ruling regarding these issues and, consequently, recorded no tax provision for 2007 or 2006.

6. PENSION PLAN

In October 2004, the Fund adopted a defined benefit pension plan (the "Plan") which became effective January 1, 2004. All employees of the Fund participate in the Plan. The Fund's cash basis contribution to the Plan was approximately \$220,000 and \$196,000 for the years ended December 31, 2007 and 2006. During 2007, the Fund approved the termination of the Plan. In February 2007, the Fund contributed \$220,000 as a final contribution to the Plan and in September 2007, the assets held by the Plan were rolled over into individual retirement accounts held by the Plan participants.

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