

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

TWENTY-FOURTH REPORT OF THE SPECIAL MASTERS/TRUSTEES
COVERING PERIOD FROM NOVEMBER 23, 2005 TO MAY 24, 2006

SPECIAL MASTERS/TRUSTEES

Hon. Robert L. Black, Jr.
Peter J. Strauss, Esq.

AGENDA

TWENTY-FOURTH REPORT OF THE SPECIAL MASTERS/TRUSTEES

In Re: Bowling-Pfizer Litigation

Case No. C-1-91-256

June 8, 2006

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.

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- A. Twenty-Fourth Report of the Special Masters/Trustees
- B. Appendices to Court Report
 - 1. Schedule of ongoing research projects.
 - 2. "Hit Report" regarding the Supervisory Panel's Website.
 - 3. Unaudited balance sheet as of April 30, 2006 and an unaudited statement of income and funds balance for the four months ended April 30, 2006.
 - 4. Unaudited balance sheet as of December 31, 2005 and an unaudited statement of income and funds balance for the year ended December 31, 2005.

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TWENTY-FOURTH 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 twenty-fourth periodic report, covering activities from November 23, 2005 to May 24, 2006. This report is submitted fifteen days prior to the status hearing before the Court scheduled for June 8, 2006.

I. PATIENT BENEFIT FUND

A. Supervisory Panel. The Supervisory Panel has not met as a whole panel since October 31, 2005, but has had numerous committee meetings. Specifically, the Guidelines Committee has been very active working to revise the 2003 Amended Guidelines. The work has been done largely through conference calls with the Guidelines

Committee in addition to Dr. William Blot and Dr. Ron Brookmeyer. Also, on April 27, 2006, Dr. Ned Weyman and Dr. Michel Ibrahim along with Dr. Ron Brookmeyer and Dr. Bill Blot met with Class and Special Counsel, Counsel for Pfizer, Counsel for Public Citizen, Counsel for the Trustees, the Chair of the Supervisory Panel and the Trustees to discuss a draft of the 2006 Amended Guidelines. This draft was distributed to Class and Special Counsel, Counsel for Pfizer and Counsel for Public Citizen, as well as other Counsel several weeks before the meeting. Counsel submitted their questions regarding the draft Guidelines to the Guidelines Committee before the April 27th meeting and the questions were discussed at the meeting. The Committee is now in the process of making revisions to the draft of the 2006 Amended Guidelines based upon the issues raised at the April 27, 2006 meeting.

The Supervisory Panel decided in March 2006 to terminate the EMAT Research being conducted at Michigan State.

Dr. Ned Weyman and Dr. Don Harrison, have maintained close scrutiny of the animal work being done at Bio Surg with the ACES and BioQuantetics diagnostic devices. Both doctors were present at both rounds of sheep studies and David Miller was present at the second round of studies. The Supervisory Panel considers the sheep studies to be successful.

The Panel is also continuing to prepare for the patient studies to be performed at The Ohio State University with the ACES

device and at Cedars with the BioQuantetics device.

B. Guidelines. The Panel is completing a revision to the 2003 Guidelines as discussed above.

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, four implantees who may qualify for replacement surgery have been imaged.

E. Repository. The Supervisory Panel continues to maintain a publicly accessible repository of certain documents and information concerning the BSCC heart valve. The repository contains hard copy printouts of various items including, but not limited to, certain reports on the status and 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. Brookmeyer of his statistical analysis, the Bowling Settlement Agreement, and other information. The repository is currently located at the Trustees' office.

In addition, the Trustees have made many of the documents in the repository available electronically in a database which can be accessed through the internet at www.bowling-pfizer.com/repository. Individuals are able to search for information using descriptive

words. Some of the information, such as published articles, are not available for review online due to copyright and other intellectual property concerns. To access the online repository, an individual need only contact the Trustees' office for the website location and a password. The Trustees have placed an announcement on its website providing class members and other interested individuals with information about the electronic database.

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 2003 Amended Guidelines, a copy of the Settlement Agreement, Trustee Reports and a bibliography of relevant articles as well as other important information.

As noted above, an announcement has been placed on the website explaining that many of the documents contained in the document repository are now available on-line. Further, a copy of the most recent "hit report" of the Supervisory Panel's website is attached to this Report as Appendix 2.

The website is being amended to allow for Class Registration on the website in thirteen (13) different languages, including English.

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.

Since the date of the last Trustees' report on November 23, 2005, there has been one reported outlet strut fracture. This event has not been confirmed at this date.

The total number of qualified claims received from the beginning are: 95 (72 foreign) qualified outlet strut fracture claims and 137 (55 foreign) qualified valve replacement surgery claims including 38 (16 foreign) qualified single leg fracture claims.

In an effort to locate unregistered class members, a notice was published in 7 foreign and 13 U.S. newspapers. To date there have been 79 responses, resulting in the registration of 4 class members. Most of the responses are from class members who have already registered or from persons who are not class members. In addition, the Canadian Shiley Patient Notification and Registration System mailed a notice to approximately 360 implantees.

The office of the Claims Administrator continues to fulfill requests to calculate estimated annual fracture rates under the 2003 Amended Guidelines. In addition, the office of the Claims Administrator continues to respond to other inquiries from and on behalf of Class Members.

II. FINANCIAL INFORMATION

At April 30, 2006, the total balance of cash and cash equivalents was \$25,617,963. This amount takes into account net interest earned from January 28, 1992 through April 30, 2006 in the aggregate amount of \$24,611,749.

Attached as Appendix 3 are the following: an unaudited balance sheet as of April 30, 2006 and an unaudited statement of income and funds balance for the four months ended April 30, 2006 (which includes the budgeted amounts for expenses for the administrative office for the period January 1, 2006 through December 31, 2006).

Attached as Appendix 4 are the following: an unaudited balance sheet as of December 31, 2005 and an unaudited statement of income and funds balance for the year ended December 31, 2005 (which includes the budgeted amounts for expenses for the administrative office for the year ended December 31, 2005.)

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

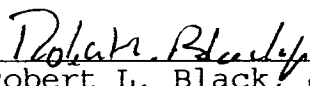
Your honor, the Special Masters/Trustees request that the Court:

- 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,

Dated: May 24, 2006



Hon. Robert L. Black, Jr.



Peter J. Strauss, Esq.

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APPENDIX 1

Trustees for the Bowling-Pfizer Heart Valve Settlement Funds
Supervisory Panel Research Projects Initiated After January 31, 2005

| Continuing Operation Plan Future Projects | Termination Date | Contract Amounts | | | Billed Through 4/30/2006 | Remainder 4/30/2006 | |
|----------------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------------------|-----------------------|---------------------------|
| | | Projected | Actual | Savings | | Committed Unbilled | Completed Cost Savings |
| Committed | | | | | | | |
| Michigan State University | | | | | | | |
| EMAT System | 11/12/2006 | \$1,000,000 | \$982,686 | \$17,314 | \$376,047 | | \$606,639 |
| Sheep Study | 6/30/2005 | 40,000 | 35,125 | 4,875 | 34,547 | | 578 |
| BioQuantetics | | | | | | | |
| Ultrasound Burst-Spect. | 12/31/2005 | 600,000 | 589,928 | 10,072 | 579,365 | | 10,563 |
| April 2005 Interim Funding | 4/30/2005 | | 25,535 | (25,535) | 24,918 | | 617 |
| January 2006 Interim Fund. | 1/31/2006 | | 50,827 | (50,827) | 50,827 | | |
| March 2006 Addendum | 4/30/2006 | | 181,950 | (181,950) | 168,823 | | 13,127 |
| ACES | | | | | | | |
| Passive Acoustics | 8/31/2005 | | 5,259 | (5,259) | 110 | \$5,149 | |
| Cleveland Clinic & STS | | | | | | | |
| Guidelines Data | | 20,000 | 68,044 | (48,044) | 68,044 | | |
| BioSurg | | 100,000 | 230,120 | (130,120) | 134,165 | 95,955 | |
| International Epidem. Inst. | | | 35,000 | (35,000) | 19,237 | 15,763 | |
| Hershey Imaging | | 38,463 | 38,463 | | 38,463 | | |
| ACES | | | | | | | |
| Passive Acoustics | 11/8/2006 | 500,000 | 499,675 | 325 | 141,951 | 357,724 | |
| Total | | \$2,298,463 | \$2,742,612 | (\$444,150) | \$1,636,497 | \$474,591 | \$631,524 |
| Not Yet Committed | | | | | | | |
| Michigan State University | | | | | | | |
| EMAT System Testing | | 30,000 | | | | | |
| Hershey Imaging | | 121,537 | | | | | |
| Pilot Test | | 262,250 | | | | | |
| Testing Center | | 1,597,500 | | | | | |
| Guidelines Notification | | 400,000 | | | | | |
| Total | | \$2,411,287 | | | | | |
| Total | | \$4,709,750 | | | | | |

**Trustees for the Bowling-Pfizer Heart Valve Settlement Funds
Supervisory Panel Research Projects Ongoing At January 31, 2005**

| Continuing Operation Plan Ongoing Projects | Termination Date | Balance 1/31/2005 | Billed 2/1/2005 4/30/2006 | Remainder 4/30/2006 | |
|------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|---------------------------------|-----------------------|---------------------------|
| | | | | Committed Unbilled | Completed Cost Savings |
| International Epidemiology Inst. Utrecht University Devtrack Pty. Ltd. International Epidemiology Study | 8/31/2005 | \$65,340 | \$65,340 | \$63,500 | |
| Penn State University Database of Mfg. Records | 9/30/2005 | 103,159 | 95,889 | | \$7,270 |
| International Epidemiology Inst. Patient Quality of Life Survey | (1) 3/31/2005 | 26,362 | 26,362 | | |
| Utrecht University Dutch Follow Up Study | 12/22/2005 | 104,954 | 75,542 | 29,412 | |
| Information Systems Laboratories, Noninvasive Assessment of Heart Valves | 2/25/2005 | 77,997 | 77,997 | | |
| BioQuantetics Ultrasound Burst-Spectrography | 2/28/2005 | 139,104 | 139,104 | | |
| Miromico, Inc. Telemonitoring System | 4/7/2005 | 199,400 | 199,400 | | |
| JMC Utrecht Electromagnetic Dip Meter | 4/14/2005 | 37,947 | 37,947 | | |
| Michigan State University Catheter Based and EMAT Detection of SLS | 6/30/2005 | 238,722 | 227,016 | | 11,706 |
| Michigan State University EMAT Continuation Project | 5/12/2005 | 157,111 | 107,188 | | 49,923 |
| Eindhoven University Catheter Based Antenna | 4/18/2004 | 106,800 | 106,800 | | |
| Cleveland Clinic 3-D Motion of Heart Valves | 3/22/2005 | 73,134 | 69,234 | | 3,900 |
| ACES Evaluation of the Role of Crack Growth and Initiation | 11/30/2004 | 2,100 | 2,100 | | |

| | | | | | |
|-------------------------------------------------------------------------------------|-----|-----------|--------------------|--------------------|-----------------|
| ACES BSCC Valve Performance Modeling Using Element Free Techniques | (2) | 2/28/2005 | 17,290 | 17,290 | |
| ACES Modeling of BSCC Heart Valves, Effect of Compliant Support Conditions | (3) | 2/28/2005 | 45,200 | 45,200 | |
| ACES Relationship of Engineering and Epidemiology | (4) | 9/30/2005 | 132,050 | 132,050 | |
| ACES Hook to Well Separation | (5) | 9/30/2005 | 127,675 | 127,675 | |
| ACES Passive Accoustic Detection | (6) | 8/31/2005 | 137,470 | 137,470 | |
| JAB Evaluate Approach to Improve Risk of Re-Operation | | 7/18/2004 | 128,683 | 112,181 | 16,502 |
| TOTAL | | | \$2,021,498 | \$1,839,285 | \$92,912 |
| | | | | | \$89,301 |

Note - The 1/31/2005 balances are the amounts included in Schedule II of the Supervisory Panel's continuing operation plan.

- 1) The total charges of the researcher exceeded the amount that the court approved agreement allowed the Trustees to pay. The researcher absorbed this cost overrun as a "professional discount". In this case the professional discount was \$5,200.
- 2) Professional discount of \$3,050.
- 3) Professional discount of \$3,555.
- 4) Professional discount of \$7,450.
- 5) Professional discount of \$20,690.
- 6) Professional discount of \$53,151.

APPENDIX 2

