1	UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF OHIO		
2	EASTERN DIVISION		
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4	IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION	MDL No. 2804	
5		: Case No. 1:17-CV-2804 : Cleveland, Ohio	
6	APPLIES TO ALL CASES	: Tuesday, January 9, 2018	
7		: 9:12 a.m.	
8		X	
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10	TRANSCRIPT OF PROCEEDINGS		
11	BEFORE THE HONORABLE DAN A. POLSTER UNITED STATES DISTRICT JUDGE		
12	AND		
13	BEFORE THE HONORABLE DAVID A. RUIZ		
14	UNITED STATES	MAGISTRATE JUDGE	
15			
16	Court Reporter: Donnalee C	Cotone, RMR, CRR, CRC Systems Administrator	
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25	Proceedings recorded by mechanical stenography, transcript produced by computer-aided transcription.	

1 MORNING SESSION, TUESDAY, JANUARY 9, 2018 2 (Proceedings commenced at 9:11 a.m.) 3 THE COURT: Everyone can be seated. Except I 4 apologize. We brought in extra chairs, but I guess they ran 09:11:40 5 out of extra chairs. 6 7 All right. Well, good morning, Everyone. 8 This is the first meeting of counsel in the opioid 9 MDL. Judge Ruiz and I are here, and, again, I apologize. 09:12:12 10 The courtroom isn't big enough. I've reserved the 16th 11 floor, those two courtrooms, for some private conferences 12 with counsel that we will probably go into. 13 I appreciate all of the submissions that I've 14 received. Some have been exchanged. Some were ex parte, as 09:12:38 15 I permitted. I've given a lot of thought to what to do. 16 All of the submissions focused on how a judge should manage this MDL and the 200 or more cases in sort of a traditional 17 18 manner. I appreciate that. 19 I've handled and managed two other MDLs, and I'm 09:13:13 20 familiar with many of the others that my colleagues have 21 handled around the country. But this is not a traditional 22 MDL. It generally focuses on something unfortunate that's 23 happened in the past, and figuring out how it happened, why 2.4 it happened, who might be responsible, and what to do about

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What's happening in our country with the opioid crisis is present and ongoing. I did a little math. Since we're losing more than 50,000 of our citizens every year, about 150 Americans are going to die today, just today, while we're meeting.

And in my humble opinion, everyone shares some of the responsibility, and no one has done enough to abate it.

That includes the manufacturers, the distributors, the pharmacies, the doctors, the federal government and state government, local governments, hospitals, third-party payors, and individuals. Just about everyone we've got on both sides of the equation in this case.

The federal court is probably the least likely branch of government to try and tackle this, but candidly, the other branches of government, federal and state, have punted. So it's here.

So I don't think anyone in the country is interested in a whole lot of finger-pointing at this point, and I'm not either. People aren't interested in depositions, and discovery, and trials. People aren't interested in figuring out the answer to interesting legal questions like preemption and learned intermediary, or unravelling complicated conspiracy theories.

So my objective is to do something meaningful to abate this crisis and to do it in 2018. And we have here -- we've

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got all the lawyers. I can get the parties, and I can involve the states. So we'll have everyone who is in a position to do it. And with all of these smart people here and their clients, I'm confident we can do something to dramatically reduce the number of opioids that are being disseminated, manufactured, and distributed. Just dramatically reduce the quantity, and make sure that the pills that are manufactured and distributed go to the right people and no one else, and that there be an effective system in place to monitor the delivery and distribution, and if there's a problem, to immediately address it and to make sure that those pills are prescribed only when there's an appropriate diagnosis, and that we get some amount of money to the government agencies for treatment. Because sadly, every day more and more people are being addicted, and they need treatment.

So that's what I am interested in doing. I mean, I'm really -- you know, if I've got to do it in a traditional way, and -- I guess I'll have no choice. I'll admit failure and I'll say, All right. We've just got to plow through this, and, you know, if we can't accomplish something like what I've talked about then, you know, I'll talk to everyone. But my present intention is to turn everyone loose. I'll turn the plaintiffs loose on the defendants; I'll turn the defendants lose on the plaintiffs. You'll,

1 you know, tear each other up way down in 2017 [sic] for 2 discovery. You can go after the federal government, full 3 discovery there, too. You know, FDA, DEA, have at it, and 4 in 2019, I'll try the Ohio case myself and see what happens, after dealing with whatever motions, and I'm sure some of 09:18:21 5 the claims and theories are going to be knocked out and some 6 7 will survive. And I'll try the case that I have 8 jurisdiction over, which is the Northern District of Ohio 9 group. What that will accomplish, I don't know. But I'd 09:18:42 10 rather not do that. 11 So that's really what I want to talk to everyone

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So that's really what I want to talk to everyone today, and if we can get some agreement on both sides that that's what we ought to do and that's how we should spend — I mean, look around this room; an incredible amount of talent. I doubt if any judge has ever assembled this kind of talent ever. And I'm talking about you, certainly not — and Judge Ruiz, not me. Okay?

But that's what -- I think we have an opportunity to do it, and it would be an abject abdication of our responsibility not to try it. And if we can't, then we've got to do the other way. And if we can get some general agreement that we should try it, then we'll figure out today, how do we organize that effort, who is not here that we need to get involved, and we'll get about doing it and what help I'll need.

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As I indicated in my prior order, I haven't made a final decision on what to do regarding Special Master or Special Masters. I looked carefully at the recommendations, suggestions of the parties. I had some preliminary discussions with three people suggested, who I happen to know because I've worked with them: David Cohen, Cathy Yanni, and Francis McGovern.

I asked David Cohen and Francis McGovern to listen in by telephone today, and then I'll decide, after we have probably some private discussions, what I'll do in that regard.

So I know none of you were expecting what I just said, but I certainly want to hear from you. I mean, I knew what I was going to say. I have no idea what any of you are going to say.

And so the one thing I would request, because, obviously, we have a court reporter, is that anyone who speaks, I think it will actually be better if you stay seated by a microphone.

Is that right, Katie?

Or the podium, all right? If you're not seated -- if you're seated at a table by a microphone, the sound will work better if you stay seated. I know it's sort of counterintuitive, you always stand in the court, but it works better if you're seated. If you're not seated by a

1 microphone, then if you can use the lectern, because there's 2 a microphone there, and then just please identify yourself and who you're representing. 3 I hope someone speaks. I don't -- I'd hate to listen 4 to myself again. 09:22:00 5 MR. RICE: Good morning, Your Honor. 6 Joe Rice with Motley Rice here on behalf of the 7 8 plaintiffs. Thank you for your comments. 9 I think I can say on behalf of all the plaintiffs that we share your feeling of urgency. And I can tell you that 09:22:13 10 11 all of our clients are dealing with this every day at the 12 city, county level, everybody. 13 So we are here to give you the time and the talents 14 that we can have to try to bring something together as quickly as possible. 09:22:29 15 16 THE COURT: Thank you, Joe. 17 MR. HANLY: Your Honor, if I may. 18 Yes, Judge. My name is Paul Hanly. I'm co-lead with 19 Mr. Rice and Mr. Farrell. 09:22:42 20 If I might just address the Court's comment about the 2.1 submissions. The plaintiffs' submission does discuss 22 litigation options. And I want to explain to the Court that 23 that's based upon good-faith discussions that we all had 2.4 with certain of the defendant representatives.

So we did not feel it was sufficient simply to agree

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with the Court concerning the resolution track -- which we
are very, very much in favor of -- but we felt it important
also to present, from the plaintiffs' point of view,
possible litigation strategies, given that certain of the
defendants were talking in terms of litigation before they
wanted to discuss resolution.

THE COURT: All right. I understood that,

THE COURT: All right. I understood that, Paul.

But the resolution I'm talking about is really -- what I'm interested in doing is not just moving money around, because this is an ongoing crisis. What we've got to do is dramatically reduce the number of the pills that are out there and make sure that the pills that are out there are being used properly. Because we all know that a whole lot of them have gone walking and with devastating results. And that's happening right now.

So that's what I want to accomplish. And then we'll deal with the money. We can deal with the money also and the treatment. I mean, that's what -- you know, we need a whole lot -- some new systems in place, and we need some treatment. Okay? We don't need -- we don't need a lot of briefs and we don't need trials. They're not going to -- none of them are -- none of those are going to solve what we've got.

So, again, you know, ideally, this should be handled

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1 by the legislative and executive branches, our federal 2 government, and our state governments. They haven't seemed to have done a whole lot. So it's here. So . . . 3 4 MR. CHEFFO: Good morning, Your Honor. This is Mark Cheffo for --09:25:14 5 THE COURT: Yes, Mark. 6 7 MR. CHEFFO: One of the liaison counsel for 8 the manufacturers. I would, I think, just echo really what 9 Your Honor said and what counsel said. I think from our perspective, we certainly welcome the 09:25:24 10 11 opportunity to talk in more detail with the Court. It 12 sounds like that's what you have in mind. I think all of us 13 recognize that there is issues in this country. I think we 14 all, to the extent that we can, want to be part of the 09:25:39 15 solution and work with Your Honor in trying to hear about 16 some of the ways that we might move forward. 17 I think that Your Honor kind of articulated at a high 18 level some of the impediments that might be in our way to 19 try and get from here to where Your Honor's vision is. So I 09:25:57 20 think we'd be interested in exploring that a little more. 21 You know, as you said, some of the issues include kind of 22 working through expectations, and also, you know, frankly, 23 making sure that the right folks are at the table, and many 2.4 of them are maybe not in this room as well.

So I think that, you know, we welcome the opportunity

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to kind of sit down with the Court, hear your ideas, and try to be as productive as we can. And, you know, I'm sure, as you know, there's a lot of defendants in this room, too, and they'll all have their own specific issues and concerns.

But I think I'm very comfortable telling the Court that we want to participate with Your Honor and at least try and explore some of these ideas.

THE COURT: Okay. Thank you, Mark.

MS. MAINIGI: Your Honor, Enu Mainigi from Williams & Connolly on behalf of Cardinal Health. And I'm also liaison counsel for the distributors.

We echo Mr. Cheffo's comments. We recognize that there's a problem out there. We're happy to have discussions with Your Honor. And we're pleased that Your Honor has referenced the fact that there are state and federal governments that are also involved here that may need to be involved in the process.

I think as we've been having good-faith discussions with plaintiffs' counsel in anticipation of today, and, indeed, after the MDL was filed, I think that it's certainly become clear to us that, as Your Honor has seen from various papers that have been filed, that there are, in fact, the impediments that Mr. Cheffo pointed out, certain threshold issues that -- and they're not necessarily the same for distributors, manufacturers, and other defendants, but there

are certain threshold issues that we think the resolution of those, in some manner, and we're happy to work with the Court and with plaintiffs' counsel to figure out how best to get those issues decided.

But we actually think that the resolution of some of those issues would be extremely helpful in then moving forward with discussions about what can be done in a variety of ways about this problem.

But we welcome the opportunity to speak to Your Honor, either here in this group setting, or I think you alluded to separate meetings at some point, but we're happy to elaborate on that.

THE COURT: All right. Well, I appreciate those comments.

As I presently thought through this, I'm not inclined to tackle legal issues without a full factual record, and I know what it will take to get a full factual record, how much time and how much money. And if I've got to do that, we'll do that. But I'm really not interested in deciding legal issues in a vacuum just on motions. I want to know what the facts are, because the facts often drive the law.

So if we have to go down that route, my present inclination is to just let each of you have at it, and go at each other, all -- I don't know how many we've got -- 150, 200 of you, plus legions who aren't here, and, you know, the

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plaintiffs will turn the manufacturers, distributors, and a few doctors, upside down, inside out. The defendants will turn federal government, state government, counties, cities, inside out, upside down over 2018, and then I'll probably try the Ohio ones in 2019 after I decide the motion.

I really don't want to do that. It isn't going to resolve anything. But my -- maybe you can convince me otherwise, but I've given a lot of thought, and my present feeling is I'm not going to decide these very interesting and important legal issues in a vacuum without having a full record. So if we've got to go down that way, you know, we all know how to do that. I know how to do it and you all know how to do it.

But while we do that, another 50- or 60,000 people are going to die, and we'll be absolutely no closer to abating that.

I mean, I read recently that we've managed in the last two years, because of the opioid problem, to do what our country has not done in 50 years, which is to -- for two consecutive years, reduce, lower the average life expectancy of Americans. And if we don't do something in 2018, we'll have accomplished it for three years in a row, which we haven't done since the flu epidemic 100 years ago wiped out 10 percent of our population. And this is 100 percent manmade. Now, I'm pretty ashamed that this has occurred

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while I've been around. So I think we all should be.

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All right. Does anyone want to say anything more before we maybe have some separate caucuses? And my plan is to -- I'm going to use the 16th floor. I've got two courtrooms, and I think I'm going to put the plaintiffs' leadership team in one room and the defendants' leadership team in the other room. And I guess -- I don't know how much -- you know, if there's room for others, that's okay, too. But I want to have some candid discussions.

MR. CHEFFO: Your Honor.

THE COURT: Yes.

MR. CHEFFO: If I might, just one thing.

I think that's on. Sorry about that.

I think, again, in the spirit of trying to work with the Court on identifying -- so I think what we all need to do -- and I think Your Honor, I'm sure, appreciates this -- is to just try and identify what we all may think are impediments to get to where Your Honor wants. One of the issues is that -- probably unfortunately from our perspective where we sit, the only -- this is not the only place where activity is occurring, so --

THE COURT: Yeah, well, I can -- I can -- the advantage of a federal judge is, I can order anyone in that I want. I, obviously, can pick up the phone and talk to anyone I want. I can pick up the phone and call any state

1 attorney general I want and invite him or them to be 2 involved, and I'm sure they will. They've got the same 3 interests. I do not control the DEA or the FDA. I can 4 certainly -- if their involvement is necessary, I can invite 09:33:14 5 it. I can invite it. 6 MR. CHEFFO: Yeah, and that's -- that would 7 8 be -- I think, as we move forward, that would be extremely 9 helpful. There's also the situation that many of the extremely, as you said, talented lawyers on the plaintiffs' 09:33:28 10 11 side here also do have some state court cases. 12 THE COURT: I understand that. 13 MR. CHEFFO: So to the extent that we're doing 14 a stand down here, if it -- you know, if things kind of 09:33:38 15 progress in other places, that that might interfere with the 16 Court's ability to kind of get us to focus on these issues. 17 So I just throw that out as one of the issues the 18 Court might want to consider. 19 THE COURT: I can understand that. I can't --

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THE COURT: I can understand that. I can't -I can make requests. There's some things a federal judge
can order, but I can't order a state judge to do anything,
and -- I can make requests, and I think most -- I mean,
everyone should want to work together to abate the crisis
first and then figure out what to do. But, again, I can
make requests.

1 MR. RICE: Your Honor. THE COURT: Yes. 2 3 MR. RICE: Joe Rice. THE COURT: Yes, Mr. Rice. 4 There's one item of information MR. RICE: 09:34:23 that's available, but not available, is where the pills 6 7 went, where they were sold and sort of the market share 8 situation is in a database that the DEA has. That there is 9 a federal requirement that every time one of these pills is sold, that it's reported where it was sold to. Having that 09:34:40 10 11 database would give us a format, both sides, to know the 12 extent of involvement by any particular distributor and 13 where maybe we need to focus more of our efforts on, where the pills went. 14 09:34:57 15 And that was discovery that was underway in the 16 Southern District of Ohio. There had been a subpoena 17 There had been an objection filed. There had been 18 a motion to compel filed, and the DEA -- or DOJ on behalf of 19 the DEA was to file a brief in support of their objection 09:35:19 20 with Judge Sargus. And that was to be filed shortly after 2.1 the MDL panel ruled, and that got stayed. 22 But that matter is not a legal matter as far as, you 23 know, the overall party, but it is a piece of information 2.4 that would be extremely valuable to the Court and to all the

parties if we could proceed with the production of that

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1 ARCOS database. 2 THE COURT: Well, that's one possibility. Ιf I think that we need that data, I can pick that up, and 3 I'll -- if the Department of Justice has objections, I'll 4 certainly consider them. But that is a possibility. 09:35:56 5 So I -- who provides -- the manufacturers and 6 7 distributors both provide that input, or just the 8 distributors? Where does the input come from? 9 MR. RICE: It comes just from the 09:36:14 10 distributors. 11 MS. MAINIGI: Your Honor, if I may. 12 THE COURT: Yes. 13 MS. MAINIGI: At least on behalf of the 14 distributors, the ARCOS data is composed, in significant 09:36:29 15 part, of data from distributors. I think that there may be 16 some coming from the manufacturers, but I'll let them speak 17 to that. 18 In terms of what Mr. Rice indicated, I know -- I think we are putting the cart before the horse. I would suggest 19 09:36:45 20 that to the extent --21 THE COURT: Well, I'm not -- I just want to 22 know where the -- so obviously each distributor knows its 23 data, but --2.4 MS. MAINIGI: Correct. 09:36:55 25 THE COURT: -- you wouldn't know --

1 MS. MAINIGI: We do not have the ability. THE COURT: -- the data that anyone else is 2 3 inputting. So you've got -- obviously, you know your data, 4 and you know what you're transmitting. Okay. And then the DEA compiles it. So at the moment, they would be the only 09:37:03 5 entity that has everyone's data --6 7 MS. MAINIGI: Correct, Your Honor. 8 THE COURT: -- correct? 9 MS. MAINIGI: That's correct. THE COURT: Okay. 09:37:13 10 11 MS. MAINIGI: And I know just procedurally, 12 the DEA had lodged an objection. I don't know if that's 13 something they intend to renew if this request is renewed. 14 THE COURT: Look, you know, I'm a former 09:37:29 15 prosecutor, and I can imagine that the DEA and the 16 Department of Justice may very well have ongoing 17 investigations as the result of the data. They're not just 18 compiling that data for the heck of it. Everyone knows why 19 the DEA would want to have that data. And the last thing I 09:37:50 20 want to do is mess up an ongoing criminal investigation 2.1 and/or prosecution. And that's the problem with just 22 willy-nilly making all of that data public. 23 MR. FARRELL: Judge, this is Paul Farrell --2.4 THE COURT: Yes. 09:38:05 25 MR. FARRELL: -- from West Virginia, and I was 1 counsel in the City of Cincinnati. The Touhy letter that we 2 issued to the Department of Justice addresses some of those There's been -- the ARCOS data has been briefed 3 4 in the Madel case out of the Eighth Circuit that was pending in Minnesota. So it's a pretty well-defined argument on the 6 objections.

We believe that limiting the scope of the request to the time frame in which the opioid epidemic arose and eliminating, say, the last 12, 16, 24-months worth of data preserves the ability of the Department of Justice --

THE COURT: Well, you know, this is a complicated issue. Judge Sargus probably was considering it. I'm certainly not going to do anything on the fly. I'm not sure if it's necessary to have all that data to do the kind of -- have the kind of discussions we're having.

I'd like to -- I think at this point, I'm going to talk privately to each side and see where we go. If we get some traction, then we'll figure out what the next steps are.

So let's just say this: We'll have the plaintiffs' leadership in Courtroom 16A and the defendants' leadership, and that's -- I know we've got three tracks or groups of defense counsel. We've got a manufacturers' track, we have a distributor track or group, and we have an individual defendants' track or group, and my order may not have

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1 been -- I added a couple of people, and they were being 2 added to the -- what I'll call the individual defendants' 3 steering committee or track. And I think the individual 4 defendants are only doctors. Are there any other individual defendants in the case? 09:39:55 I wasn't aware of any. 6 All right. So the individual defendants are -- they 7 8 are four or five doctors. Okay. So I want all of the 9 defendants' leadership in 16B. And I don't have a problem with other lawyers coming in, but the primary spokespeople, 09:40:16 10 11 I think, will be the leadership team, which is why they were 12 created, just because it's unwieldy to have so many people, 13 and it's incredibly expensive, and, obviously, we 14 can't -- even if there are 200 people, it's not realistic 09:40:45 15 for 200 people to be addressing the Court and for me to be 16 talking to each of you, so -- but I do appreciate everyone 17 being here for the first meeting. 18 Okay. And for those people on the phone, the conference call will not continue for these private 19 09:41:09 20 discussions because these are not public proceedings. 21 If we come back together, I don't know if there'll be 22 a capability to get you back on the phone. I don't know --23 Do we know everyone who is on the phone? 24 All right. So this may be -- probably be the last

time -- the last opportunity for those of you on the phone.

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1	But I don't know if there are I'm not sure there's going
2	to be really a capability to call back in.
3	Although, maybe if and when we come back in, I'll put
4	a quick order out, and you can note access the ECF and
09:42:14 5	see when we're going back on the record and call back in.
6	That's about the best I can do. So I'll try to do that.
7	Okay. Then we will adjourn for private caucuses, and
8	I'll see you respectfully down on 16 in a few minutes.
9	Thank you.
09:42:34 10	DEPUTY CLERK: All rise.
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12	(Proceedings adjourned at 9:42 a.m.)
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15	CERTIFICATE
16	
17	I certify that the foregoing is a correct transcript
18	from the record of proceedings in the above-entitled matter.
19	
20	/s/ Donnalee Cotone 11th of January, 2018
20	/s/ Donnalee Cotone 11th of January, 2018 DONNALEE COTONE, RMR, CRR, CRC DATE Realtime Systems Administrator
	DONNALEE COTONE, RMR, CRR, CRC DATE
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