UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW HAMPSHIRE

*
IN RE: ATRIUM MEDICAL CORP. *

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TRANSCRIPT OF STATUS CONFERENCE
BEFORE THE HONORABLE LANDYA B. McCAFFERTY

Appearances:

For the Plaintiffs: Jonathan D. Orent, Esq. (Via tele)
Motley Rice, LLC

Susan A. Lowry, Esq. (Via tele) Upton & Hatfield, LLP

D. Todd Mathews, Esq. (Via tele)
Gori Julian & Associates PC

Adam M. Evans, Esq. (Via tele) Hollis Law Firm, PA

Anne W. Schiavone, Esq. (Via tele) Holman Schiavone, LLC

Josh B. Wages, Esq. (Via tele)
Blasingame Burch Garrard & Ashley

Amanda Summerlin, Esq. (Via tele)
Taylor Martino PC

For the Defendants:

Enjolique D. Aytch, Esq. (Via tele) Rebecca Ocariz, Esq. (Via tele) Akerman, LLP

Pierre A. Chabot, Esq. (Via tele) Wadleigh Starr & Peters, PLLC

<u>Court Reporter:</u>

Sandra L. Bailey, LCR, CRR USDC - 55 Pleasant Street Concord, NH 03301 (603) 225-1454

PROCEEDINGS

THE COURT: Good afternoon, counsel, this is

Judge McCafferty. I'm here in my chambers with a court

reporter and with my law clerk, Dan Fisher.

Let me just for the record because we have the court reporter here, I'll state the name of the case, the docket number and issue the typical reminders and then have counsel identify themselves for the record. And then for the benefit of our court reporter, just simply whenever you're speaking just identify yourself for the court reporter.

This case is In Re: Atrium Medical Corp.

C-Qur Mesh Products Liability Litigation, MDL docket

number 16-md-02753-LM.

If you have a speaking role, then obviously you don't want to mute your phones, but otherwise if you would mute your phones and please don't put phones on hold, and if you're not in a speaking role we expect you to just remain mute.

So, let me have those who are on the line go ahead and identify themselves for the record.

22 Plaintiffs' counsel.

MR. ORENT: Good afternoon your Honor,

Jonathan Orent, and I'm actually here with Josh Wagers.

THE COURT: With who?

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MR. ORENT: Josh Wagers from the Blasingame
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    firm. He will be the liaison. Mr. Matthews is, Mr. Jim
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    Matthews is Josh's law partner.
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              THE COURT: Nobody else with plaintiffs?
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              MR. MATHEWS: Your Honor, Todd Mathews for the
    plaintiffs also.
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              MS. SCHIAVONE: And Anne Schiavone, your
    Honor, for the plaintiffs.
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              MS. LOWRY: Your Honor, Susan Lowry for the
    plaintiffs.
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              MS. SUMMERLIN: Amanda Summerlin for
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    plaintiffs.
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              MR. EVANS: And Adam Evans for the plaintiffs.
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              THE COURT: And can Amanda -- last name I
    missed.
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              MS. SUMMERLIN: Sure. It's Summerlin,
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    S-U-M-M-E-R-L-I-N.
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              THE COURT: Okay. All right. And defense
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    counsel.
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              MS. AYTCH: Good afternoon. This is Enjolique
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    Aytch. A-Y-T-C-H is the last name.
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              MS. OCARIZ: Rebecca Ocariz, O-C-A-R-I-Z.
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              MR. CHABOT: Good afternoon, your Honor,
    Pierre Chabot, C-H-A-B-O-T.
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              THE COURT: Okay, I think we've got everybody.
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And if -- has anyone since joined the call? Okay. All right, let's just go through the agenda.

I'm aware there's one dispute that I will be resolving informally for you and we'll move that to the end.

The first item on the agenda is just the status of depositions, and I just assume that you're just putting that into the record by way of recording all your agreements accurately for the record.

Is there anything else you need me to do with agenda item number one other than resolve the dispute?

MR. ORENT: Your Honor, Jonathan Orent for the

plaintiffs.

So, with regard to number one, the only issue that we have aside from the disputed issue is I wanted to advise the Court that there has been some movement of a couple dates, and we've been working with the defendants. In particular we did move the two 30(b)(6)'s that were scheduled for last week and are working to reschedule those. That was by agreement. And we're going to reschedule a deposition that's set for next week by agreement. The defendants alerted me yesterday to a document production issue that they just learned of, and I do want to actually at this point say that I do appreciate the defendants' raising that issue

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with us promptly. As a result of that we made the collective decision that it would be better to push next week's deposition, the one on the 24th, until we can get all of the document issues resolved. It remains to be seen whether or not one on the end of the month will go forward, and that's again based on some of these document issues, but we have been working well with defendants on this issue. Like I said, I very much appreciated the fact that they brought these issues to us as soon as they learned of them from their vendors. So, that's the only change that I want to make from the submission. THE COURT: Anything to add, defense counsel? MS. AYTCH: I'm sorry, your Honor, there was a little bit of background noise as you spoke. you just asked if there was anything from defense counsel, but you cut out for a moment. THE COURT: Sorry about that. That's correct. MS. AYTCH: No, nothing further. As Mr. Orent stated, we still need to have further discussion about the deposition and just make sure that we are certain, and I thought that the one that is still scheduled at the very end of the month on the 31st for Anders Selander would still go forward, so I just want to circle back with Mr. Orent after that, but there's

nothing more to add to the agenda, I mean to item number 1 2 one on the agenda. 3 THE COURT: Okay. Let's go to number two, and 4 I wasn't really clear on where you were going with 5 number two. It looks like you're just alerting me that there may be some issues, you're just waiting to figure 6 7 out exactly how to handle these with respect to Litigation Management, Inc. and the joint records 8 collection agreement. 9 10 MS. AYTCH: Correct. 11 THE COURT: Anything further you want to put 12 on the record or discuss with regard to number two? 13 MR. ORENT: Well, your Honor, just with number 14 two, you know, our position as the plaintiffs' executive 15 committee is quite frankly that we don't have the 16 authority on a case specific basis to allow some of the 17 modifications or solutions that have been proposed, 18 things like whiting out dates on a particular 19 authorization that's expired and things like that. 20 Quite frankly we think that individual plaintiffs' 21 counsel need to be consulted on a case by case basis. Ι 22 personally, and I know that other members of the 23 executive committee feel the same way, that we just 24 don't have the authority to give them on a case specific 25 level the guidance that they need or authority that they

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need, and that for my own cases I'm more than happy to
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    give the accommodations after consulting with my
    clients, but quite frankly on authorization issues I
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    think that individual case counsel do need to be
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    consulted.
              And that's sort of our issue with some of the
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    solutions, not the principles underlying them, but
    rather I don't feel that we as an executive committee
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    can make those binding decisions. They need to be made
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    by individual plaintiffs' counsel.
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              THE COURT: Okay. And individual plaintiffs'
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    counsel finds out about these issues how?
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              MR. ORENT: LMI would be the ones to email
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    them and say we have an expired authorization form, can
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    we white it out, for example, as opposed to having a
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    blanket policy that says we're going to white out all
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    expired authorizations. So that's -- right now
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    individual counsel get notifications when there are
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    facility specific authorizations that are required or
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    when records get uploaded. And we would just support
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    the same type of outreach when questions like this
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    arise.
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              THE COURT: Okay. And is LMI amenable to that
    individualized approach?
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              MS. AYTCH: This is Enjolique Aytch, your
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Honor. That is the approach they've been taking to
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    date. My understanding is the concern just to see if
    there is a more global approach that could have been
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    struck because of course the additional time that they
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    put in is the additional time that the parties have to
    pay for. But if that cannot be done because the
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    plaintiffs' executive committee does not have the
    authorization to do so, they're fine with that, they
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    just need to hear from the plaintiffs' executive
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    committee one way or the other. My understanding is
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    that nothing had been communicated to them. And of
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    course from the defense side we definitely don't have
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    the authorization to do so.
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              So I'm sure that they're amenable to it.
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    We're just looking for a response so that they know how
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    to proceed going forward or the way that they are
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    currently proceeding is a way that needs to remain,
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    that's fine as well, they just needed a response.
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              THE COURT: Okay. And so is there anything
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    you need from me with respect to item number two,
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    anything further?
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              MR. ORENT: Not from the plaintiffs, your
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    Honor.
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              MS. AYTCH: Not from the defense, your Honor.
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              THE COURT: Okay. All right. The proposed
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    Bellwether Case Management Order I've read through.
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    impressed the parties have reached agreement on that.
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    appreciate that you've chosen cases that are, over which
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    I have plenary jurisdiction. I am prepared to approve
    that after this conference.
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              Is there anything else you want to accomplish
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    with respect to agenda item number three?
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              MS. AYTCH: Not from the defense, your Honor.
              MR. ORENT: Not from the plaintiffs either.
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                                 Agenda item four is the
              THE COURT: Okay.
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    dispute, and let's just jump ahead to agenda item five,
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    and the parties agree that you want to amend or seek an
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    addition to the Court's procedural order, and that seems
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    fine by the Court, so I will adopt that. And I'll take
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    whatever action on my end, we'll make that obvious in
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    orders going forth.
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              MR. ORENT: Thank you, your Honor.
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              THE COURT: So number five, anything else on
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    number five?
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              MR. ORENT: Not for the plaintiffs.
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              THE COURT: Okay. All right. So now really,
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    frankly, on to agenda item number four, the two
    depositions in dispute. And I have reviewed the letter
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    briefs and I think what I'd like to do is just hear a
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    little bit more from defense counsel as to how Malmquist
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and Viebke, I don't know if I'm pronouncing those correctly, but the two proposed deponents, how it is that they are duplicative or cumulative of people that are already on the list and where would that evidence be such that plaintiffs would have awareness or knowledge of it or could just consult that and be persuaded that essentially they don't need those two depositions.

MS. AYTCH: Thank you, your Honor. So, as far as through the myriad of documents that have been produced as a first level, I mean, the facts that they are, that Johan is a current board member and past president of the Getinge AB and that Jens Viebke is the president of the business area of ACT is noted in the numerous documents. But more to the point, any knowledge that they would have in terms of the corporate structure or how these things function or their relationships with each other or anything bearing upon the jurisdictional issue has been teased out through the numerous written discovery as well and more importantly through the depositions that are going to be had, including the Getinge AB 30(b)(6) deposition, and to our awareness thus far the fourth coming notice of 30(b)(6) deposition for Atrium. So on both sides, anything that these two people would speak to would be gathered through those means and would just purely be cumulative.

THE COURT: Okay. And with respect to anything that plaintiffs would discover in upcoming depositions, that would be information at this point they wouldn't necessarily have access to.

MS. AYTCH: That they would -- no, I mean, what they would tease out in the upcoming depositions of course not, your Honor, as they have not come in, but based on the topic that they have identified through their 30(b)(6), based on the four, request for four sets of request for admissions that we have received as well as the two document notices of requests to produce documents that they've received, they are on the pathway to understanding what it is that these two deponents would speak to and would have a method of accessing that information from the depositions as well as from the discovery that has already been taken.

THE COURT: Okay. Attorney Orent, how do you respond to that, because I get from your letter brief and, you know, footnote ten that you don't really have any idea how these gentlemen, how the depositions would be duplicative or cumulative from defense perspective.

MR. ORENT: That's correct, your Honor. In our view these individuals, particularly Jens Viebke, have information that is not apex information, that is information speaking to the activities of the companies,

but we actually seek the unique information of individuals for tasks and involvement that they specifically had.

So, to give your Honor just a little bit of background on Jens Viebke. He was simultaneously an employee of Getinge AB but also a board member and president at the same we believe of Atrium. And we're wanting to know how is it that he was hired in that dual position. How was it that he was able to operate day-to-day, what level of actual control did Getinge exercise over him, day-to-day over decisionmaking. That's actually the quintessential issue in alterego analysis.

We also now understand the key part of the Acute Care Therapies. Acute Care Therapies is part of a reorganization that occurred in the last year and a half at Getinge that we believe merged the company out of the operating unit model that it previously had held to the point that Atrium is no longer functioning as an individual company. Mr. Viebke was instrumental, we believe, in actually deploying that personally in New Hampshire. He was, at least by the moniker on his email, he was located in New Hampshire and was responsible for it since he himself communicated and executed orders to restructure. He himself deployed

town hall meetings. We did not see any transcripts of these town hall meetings. We've not seen many notes of these town hall meetings. These are things that he has personal information.

And like I said, how is it that he is able to function in the fiduciary duty of an Atrium president while being an employee of Getinge. That's a quintessential question to this analysis that we can't get an answer to, except for from him. And then you add to the fact that we don't think, based on the evidence that we've seen, that the Atrium board has actually met since 2012. And I think that that's an important piece because we have individuals who are dual board members. How do they get appointed to those dual board positions.

All of this comes back to the level of exercising control of the operations that Atrium is placed under by Getinge.

So, that's just a small slice of the issue, and I can elaborate further if the Court wants.

THE COURT: Okay. Can you talk just a little bit more about Malmquist.

MR. ORENT: Actually Malmquist, and we've actually talked quite a bit about this and, your Honor, between the two, Malmquist is far less important and, you know, if the Court were to make a decision and

distinguish the two, I think it would be to allow the deposition of Viebke, and Malmquist is not as essential.

Malmquist is actually for a different theory of liability. One of the theories that has recently surfaced is whether or not the Court has direct jurisdiction over Getinge AB.

We've been pursuing the alterego approach so far as well as the agency approach, as the Court is aware, but we've now have become aware of actual direct involvement of Getinge in the United States, and in fact we know that the board of directors where Malmquist was a part of it came to the United States and met in the United States on multiple occasions, that they've made decisions, actual decisions over the finances of various things, they interacted with federal agencies including the Federal Trade Commission, and that there are individual involvement from members of the board and individuals, particularly Malmquist, in some of these actions, actions that had previously been denied to the Court as part of a claim that there's no personal jurisdiction.

So, we think that there is this other theory that we are developing and we quite frankly want answers.

There's also questions about the merger

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documents themselves. The merger documents themselves allow for certain areas of control at the time of turnover, but it does seem like there's been a series of reconstructions of the company since the time of the original merger, and we feel that Mr. Malmquist can speak to the decisionmaking and the areas of that. But like I said, in terms of the alterego analysis and in terms of some of these other things, Mr. Viebke is far more important and far more directly related. THE COURT: And it sounds like you are finding a great deal of information in documents themselves which is part of Attorney Aytch's argument.

MR. ORENT: We have, but there's a lot Again, there's no board minutes for Atrium,

missing. and so Mr. Malmquist, again, at the same time where he's a board member of Atrium -- excuse me, of Getinge, is also a board member of Atrium. And what we have are, because the board hasn't met since 2012, we have a series of decisions that are just the decision without any of the debate, without any analysis, without any presentations, and so there are some real important issues and questions in this case about how the Atrium board has met and made decisions that affects whether or not Atrium is acting in Atrium's fiduciary best

interests or whether it is merely serving the fiduciary interest of Getinge AB without having any decisionmaking without having actual meetings. This board of directors, Johan Malmquist was a member and the head of in his dual capacity. They are essential to get to the understanding of. And, you know, the defendant so far has produced less than 200 documents on speaking to these issues.

So there's quite a lot of holes on this. And so we've done our best to piece together what we think the mosaic looks like at this point, but again, there's some central holes to it and these two individuals are the key players through their own individual contact, individual decisionmaking, and so these are not saying their individual thought processes, their individual activities of these two gentlemen are the types of things that don't subject them to apex and quite frankly make it nonduplicative and not able to be gained through documentation.

THE COURT: And so you're telling me that the 30(b)(6) depositions that you've already agreed to take, those depositions will not get you answers to some of these questions. You're saying Viebke is really going to have information that other 30(b)(6) deponents will not have.

1 MR. ORENT: That's correct. 2 THE COURT: Okay. Attorney Aytch. 3 MS. AYTCH: Yes, so, based on our 4 understanding in the same documents I just want to 5 correct a couple of things. Johan Malmquist was not a board member 6 7 simultaneously of Atrium and Getinge AB as I believe that I continue to hear Mr. Orent state. He is, was a 8 president of AB formally so, Swedish citizen with all of 9 10 those contingencies that must be had, and he's a current 11 board member of AB, but not that of Atrium and no longer 12 president of AB. 13 Jens Viebke was never an employee is your 14 understanding or board member of AB. He is the 15 president of ACT which is the business area under which 16 Atrium falls. Mr. Orent is correct that he is in 17 Atrium's building in New Hampshire, but he is not an 18 officer nor has ever been a director of AB. 19 But moreover, all of the information that it 20 seems that plaintiffs are seeking can be had and 21 actually likely will be had from the 30(b)(6) 22 depositions. We need to know that the Atrium 30(b)(6)

notice still has not been provided to defendants. So, any of these topics that the plaintiffs are inquiring about from the Atrium side can be put in such a notice

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and then it is incumbent upon us to prepare a deponent who will be able to answer questions about those topics, be it Jens Viebke, Johan Malmquist or whoever if they have the sole information, that that's the point of the argument that they didn't, and that there are other less intrusive means and actually more proportional means in order to get the information that plaintiffs are seeking.

If they're looking to know how the implementation of the business area structure that I believe has been in place more than a year, they can add both, I believe that is a topic of the current (audio cut out) so they will have that perspective from Getinge AB's representative, Peter Hjalmarson, who would have personal knowledge on that, and we would also be prepared with additional information as well as being able to ask that same information from the Atrium 30(b)(6) whenever we get that forthcoming notice of deposition.

We have never opposed that and we still stand ready once we receive it to agree to that and then to put up how many ever witnesses are necessary in order to cover the topics of inquiry that are proportional and that plaintiffs are requesting.

That is also true as to any of the direct

involvement that AB may have had any time. If there has been a board meeting that happened on the U.S., what's the surrounding circumstances, all of those are topics that we stand ready to have someone answer.

So, you know, just to be succinct about this, all of this information can be had via the depositions that are already noticed, the documents that Mr. Orent is referencing and the still forthcoming notice of deposition as to Atrium for its 30(b)(6).

THE COURT: Okay. All right.

MR. ORENT: Your Honor, if I might just ask one thing, which is if your Honor were to go to the website of Getinge AB and look at the executive team of Getinge AB, there is a section on Mr. Viebke, and with regard to Mr. Viebke it actually states that he is an employee of Getinge since 2010, that he owns X number of shares, et cetera, et cetera, and that he is also the chief technology officer of Acute Care Therapies which is part of Getinge.

The defendant has also conceded today that he's president of Atrium. So, that alone, forgetting the dispute because I think we do dispute and we had served some RFPs, excuse me, requests for admissions on some of these and there is a dispute as to who held what title and when. That is something that the documents

are contradictory on.

But there is no question that if the Court were to go to Getinge AB's website, that it says this about Mr. Viebke today, and there is a quintessential question that how can a president and day-to-day operator of Atrium also be a Getinge employee since 2010 and also the CTO of Acute Care Therapies when at the same time the defendant has denied that Acute Care Therapies is a separate company, or is a company. And so there is a significant question even as to what this individual's role is.

We think the president of Acute Care Therapies means he is an AB employee underneath the board of AB. Defendants are now saying that he's president of Atrium. We don't think Atrium operates anymore, quite frankly, your Honor. We don't think Atrium is a company that does business that makes products. We think it's all Acute Care Therapies and it's all under the Getinge AB name. So, this is a -- and he's not an active Atrium president in our view.

So we think that there are a lot of open questions, particularly how did he get this job. We can't even agree on the phone who he is based on the websites and contradictory documents. I think that alone justifies getting the man in the chair and asking

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him these kind of questions. Again, these are the kind of questions of an individual who is an employee of Getinge, he's a board member, called president of Acute Care Therapies, defendant has said he's the president of Atrium. I think we need him in a chair.

THE COURT: Attorney Aytch.

MS. AYTCH: Your Honor, may I -- yes.

THE COURT: Of course.

MS. AYTCH: So again, the Getinge AB website will reveal the executive team. Under Swedish law and how that entity is set up, it is not officers. I would proffer that everything that plaintiffs are seeking and has raised just now can be and likely will be ascertained from the Getinge AB 30(b)(6) deposition which is, you know, how this executive team is set up. As people are listed here, what entity are they an employee of. And it would not be Getinge AB. Getinge, that represents people who are employees of various subsidiaries of Getinge AB that are comprised in the Getinge Group, but again, one of the topics is the corporate structure and how the subsidiaries interact with each other and all of this means. Again, that would be gotten from the Getinge AB 30(b)(6) website --I mean 30(b)(6) deposition.

The president of Atrium Medical Corporation is

Jack Carlson. If I misspoke, I did not mean to. Jens Viebke is the present of Acute Care Therapies which is the business area under which Atrium is held. If anyone wants to know about how those day-to-day operations are had, what his title is, what his interaction is, again, that can be had from an Atrium 30(b)(6) deposition.

Just to add, all of this information can and should be ascertained and seems to have been ascertained in piece from the documents, the discovery that has already been provided, and the discovery that I proffer will be provided, because Viebke is simply not an AB employee and all of the questions that are surrounding what it seems that plaintiff believes is a complex structure will be illuminated from those 30(b)(6) depositions.

anything else? Okay. Based on everything I've read and based on everything I've heard at this point, and frankly, plaintiffs have already indicated at least a concession with respect to Malmquist, I think ultimately you'd probably prefer to take his deposition and get him in a seat as you say, but you're conceding he's not as essential to your case, your jurisdictional case as Viebke.

I am inclined to move on that concession and

1 deny the request for Malmquist, but based on everything 2 that I have heard thus far, I'm persuaded that there's enough here to allow the deposition of Viebke, and so 3 4 that's how I would resolve this informally. That's how I am resolving it informally. And to the extent you want to have formal litigation over Viebke, I would 6 7 suggest to Attorney Aytch to file formal -- let us know whether you're going to pursue formal litigation by 8 9 Monday, May 21st, and if you intend to we'll get you an 10 expedited briefing schedule so I can resolve it in a 11 more formal way rather quickly for you so you don't get 12 off track. But that's how I would informally resolve 13 this. Viebke is permitted, Malmquist is not. 14 Okay. Is there anything else that I need to 15 accomplish at this status conference? 16 MR. ORENT: Your Honor, for the plaintiffs --17 MS. AYTCH: I'm sorry, go ahead, Jon. MR. ORENT: For the plaintiffs, your Honor, I 18 19 just wanted to highlight while we don't have a scheduled 20 conference for another month, in all likelihood we've 21 begun the meet and confer process with the defendants on 22 some document issues relating to redactions, but in all likelihood we're going to want to get those issues 23 24 resolved, and I'm quite frankly not sure we're going to 25 be able to. We do have some more meet and conferring to

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    do and I just wanted to let the Court know that we might
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    be seeking an additional hearing between now and the
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    next monthly conference on that issue if the Court is
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    amenable to it if we're not able --
              THE COURT: I'm amenable to it.
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              MR. ORENT: Okay.
                                  Thank you, your Honor.
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              THE COURT: Anything further from anyone?
              MS. AYTCH: Nothing from the defendant.
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              THE COURT: Anything from plaintiffs' counsel?
                          Nothing, your Honor.
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              MR. ORENT:
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              THE COURT: All right. All right. Thank you
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    to everyone, and I'll talk to you in a month if not
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    sooner. Court is adjourned.
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                           Thank you.
              MR. ORENT:
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               (Hearing concluded at 2:40 p.m.)
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CERTIFICATE I, Sandra L. Bailey, do hereby certify that the foregoing transcript is a true and accurate transcription of the within proceedings, to the best of my knowledge, skill, ability and belief. Submitted: 5/23/2018 SANDRA L. BAILEY, LCR, CM, CRR LICENSED COURT REPORTER, NO. STATE OF NEW HAMPSHIRE