

II. Trust Account

On August 14, 2006, Defendants made a deposit into the Trust Account.

III. Trial Schedule

The matter of *Gregory A. Gellner v. Johnson & Johnson, et al.* **has been adjourned. No new date has been set.**

IV. MDL Mediation and Resolution Program

The deadline for enrollment and the submission of Claim Forms for the First MDL Resolution Program has expired. The Special Master reports that there are over 20,000 claimants who enrolled, but did not submit claim forms. The DLC has advised that it will seek dismissal of claimants (except those granted extensions of time) and is discussing this issue further with the PSC.

The Special Master's office continues to review Claims Forms to determine if the Forms meet the qualifying criteria set forth in the Term Sheet, and when necessary, the Special Master communicates with claimants' attorneys to process the submissions and to identify any deficiencies. Once the deficiencies are corrected, those claims will be in a posture to be processed through the claims system.

Thus far, the Special Master has submitted 58 claims to the Medical Panel for review, 5 of which have been qualified under the Term Sheet by the Medical Panel as qualifying for compensation consideration by the Special Master and the Special Master has made those awards (3 are under review.) The Special Master advises that additional claims are in the queue for submission and will routinely prepare a report regarding the status of claims to be submitted to the Medical Panel for review. The Special Master will report to the Court at the September 6, 2006 Monthly Status Conference regarding the current status of claim administration.

PLC and counsel for the Defendants met with the Special Master and the Court on August 15, 2006 to discuss the ongoing activities of the Medical Review Panel and the Settlement Program. The parties continue to discuss these issues and will be prepared to address this further at the September 6, 2006 Monthly Status Conference.

Defendants continue to submit a list of plaintiffs/claimants whose records have already been obtained by defendants in whole or in part, so when necessary, the parties, the Special Master and the attorneys for these plaintiffs/claimants can expedite the submission and review of the Claim Forms for these individuals.

The weekly telephone conference with the Special Master, PLC, DLC and SLC continues to take place to discuss a number of administrative issues germane to the Resolution Program.

The parties will be prepared to discuss these issues further at the September 6, 2006 Monthly Status Conference.

V. Pro se Plaintiffs

The parties and the Special Master held an orientation with curator, Robert Johnston, on Monday, June 12, 2006. The parties will be prepared to report to the Court on this issue at the September 6, 2006 Monthly Status Conference.

VI. Emergency Motion for Distribution of Attorney's Fees

On November 23, 2005, the Court issued an Order and Reasons regarding the Emergency Motion for Distribution of Attorney's Fees with full reservation of rights to all attorneys who may claim any right to common fees and expense reimbursement. On December 5, 2005, Daniel E. Becnel filed a Motion to Reconsider the Motion. Briefing is complete and the motion that was set for hearing has been continued until September 27, 2006. The parties have agreed to further continue this hearing date.

On March 2, 2006 Dumas & Associates Law Corporation filed a Motion for Common Benefit Fees and Expenses Reimbursements. On April 4, 2006, the PLC filed a response to the motion. The parties will be prepared to discuss this at the September 6, 2006 Monthly Status Conference.

VII. Medical Panel Presentation

The parties and the Special Master conducted an orientation for new panel members under this Court's guidance on June 29, 2006.

NEW ITEMS

VIII. Insurance Matters

A representative of insurance companies claiming to have some possible lien claim to awards to be made under the Settlement Program has requested the opportunity to participate in the next monthly status conference. The Term Sheet (Section 10) provides that the amount and fact of awards are to be confidential. The parties do not see the need for any such participation at this time by carriers with possible claims nor do they wish to burden the Administrative Fund with expenses which would come from such participation. The parties will further address the matter during the September 6, 2006 Monthly Status Conference.

Respectfully submitted,

/s/ Leonard A. Davis

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing has been served on Liaison Counsel, James Irwin, by U.S. Mail and e-mail or by hand delivery and e-mail and upon all parties by electronically uploading the same to LexisNexis File & Serve Advanced, and that the foregoing was electronically filed with the Clerk of Court of the United States District Court for the Eastern District of Louisiana by using the CM/ECF system which will send a Notice of Electronic Filing in accord with the procedures established in MDL 1355 on this 5th day of September, 2006.

/s/ Leonard A. Davis
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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

IN RE:PROPULSID	:	MDL NO. 1335
PRODUCTS LIABILITY LITIGATION	:	SECTION: L
	:	JUDGE FALLON
	:	MAG. WELLS ROBY
THIS DOCUMENT RELATES TO	:	
ALL CASES	:	

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**Monthly Telephone Status Conference
September 6, 2006- 10:00 a.m.**

AGENDA

Current Matters:

1. State Liaison Counsel
2. Trust Account
3. Trial Schedule
4. MDL Mediation & Resolution Program
5. Pro Se Plaintiffs
6. Emergency Motion for Distribution of Attorney's Fees
7. Medical Panel Orientation

New Items:

8. Insurance Matters