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NEW YORK  
NASHVILLE

September 14, 2009

*ATTORNEY - CLIENT PRIVILEGED COMMUNICATION / ATTORNEY WORK PRODUCT*

**VIA INTERNATIONAL MAIL AND E-MAIL**

Colette Wintle

GRO-C

ENGLAND

Dear Colette Wintle:

We write to update you on recent developments in the *Factor VIII or IX Concentrate Blood Products Liability Litigation*. We are pleased to inform you that we have successfully completed the "audit" of 100 clients. This audit, as you may recall, was one of the conditions that we had to satisfy in order for the settlement to become effective. The successful completion of the audit allows us to forego submitting records and meeting strict proof requirements for the remainder of the claimants in the settlement. This is very good news.

Since we have now passed this phase, we are writing to inform you of the amount of your proposed individual settlement awards. We also want to review with you some details about the settlement administration process.

**Amounts of the settlement offer**

Your settlement offer amount, which is the same for all other clients with your disease(s) in your country, is \$9,000 U.S. dollars. This offer is net of fees and costs, meaning fees and costs have already been deducted.

We understand that the offer is less than what you and we had hoped for at the outset of this litigation, and will not fully redress the suffering you have experienced as a result of your infection. However, in light of the insurmountable challenges that have arisen in this litigation, and particularly given that it is now clear that virtually all claims would be dismissed from the U.S. on both forum non conveniens (FNC) and statute of limitations grounds (as many have been already), it is our belief that this offer is the best that can be obtained under the

circumstances. We also believe that this settlement offer is the only way to offer compensation to all of the thousands of hemophiliacs and their families worldwide who participated in the lawsuit, regardless of their country of origin, their disease, or their level of records/proof, subject to the points discussed below.

### **Forum Non Conveniens (FNC)**

As you are aware, Judge Grady has not permitted any of the foreign cases to proceed in the United States, and instead has serially dismissed them on FNC grounds, no matter which part of the world they are from. The appeals court has affirmed his decisions. We thus cannot do anything more in the United States courts, no matter how much we may wish to.

### **Alternatives to the Settlement**

As you are aware, legal proceedings have been issued in the Royal Courts of Justice on behalf of English and Welsh Claimants. These legal proceedings have helped to bring the defendants to the negotiating table. However, the litigation is complex in a number of different ways, and funding a group action in England is almost always hard to achieve. Many claimants have received different types and brands of blood products and face serious difficulty in establishing which product caused their infection and therefore which, if any, US defendant is responsible. All claimants face arguments that they have brought cases too late in time and are therefore precluded from doing so.

In addition, funding any ongoing litigation in England/Wales will be challenging. The Legal Services Commission have pledged limited funding but they will need to be advised of settlement proposals and will need to review the extent to which they will support any ongoing litigation in the light of such proposals.

If you opt out of the settlement in order to attempt to pursue your claims in the United Kingdom, it is our and Irwin Mitchell's opinion that many of you will run a high risk of ultimately receiving nothing, after incurring years of additional litigation. Keep in mind also that 95% of clients must accept this offer within four months, or by December 23, 2009, in order for the settlement to become effective. If we do not reach this participating threshold, the global settlement will not go forward.

### **Fees and Costs**

In order to facilitate the settlement and maximize the amount our clients will receive, we are substantially reducing what we will charge in this case.

We anticipate that all the attorneys together, including both LCHB and local counsel, will receive a *maximum* of approximately 25% in fees *and* costs combined. This is considerably less than the over 30% *plus* costs provided for in your contracts with us. Moreover, the settlement requires that 10% be held back for two years to pay for any breaches of the release, and the lawyers will be shouldering that amount entirely, with the risk of it not being

paid. The lawyers may thus receive as little as 15% to cover all fees and costs, if the holdback is used. The anticipated attorneys' fees and costs have been submitted to Judge Grady of the U.S. court, and he stated that he found them to be reasonable.

Note that the amount of your offer above is the net amount, with fees and costs already deducted.

### **Impact on other rights/claims**

If you accept this settlement you will not be able to sue the defendants or their related entities (their successors/predecessors or distributors) again in the future, anywhere. You can still sue any other entities/third parties, such as hospitals, doctors, and local governments. The settlement does require that if you successfully claim against such a third party and that third party then successfully sues the defendants to recover what it paid to you, you offset the amount you obtained from the defendants in this settlement from the amount you obtained against the third party, if the latter is greater. If this were to happen, you would be no worse off than if you had not accepted the offer. Also bear in mind that possible future claims against third parties may take years to litigate with uncertain results, while the offer presents an opportunity for compensation in the near term.

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As for benefits from the English/Welsh government, disability living allowance (DLA) and incapacity benefits are not means tested and thus will not be affected by the settlement. Some of you may be receiving benefits, such as income support, that are means tested. The settlement may result in these means-tested benefits being reduced or discontinued for a period of time, if the settlement funds carry you over the applicable eligibility limits. There may, however, be means of insulating these benefits or offsetting the impact on them. Your English Solicitors, Irwin Mitchell, can advise you further if you feel this is likely to affect you. In any event, it would be extremely helpful if you could let us know (copied to [sallie.booth@GRO-C](mailto:sallie.booth@GRO-C) and [hfooster@GRO-C](mailto:hfooster@GRO-C)) what your current benefit entitlement is, if any, and we can then advise you specifically upon your individual circumstances.

There are other terms in the proposed Settlement Agreement which may impact upon your rights and the rights of your immediate family, i.e., spouse and children. These are currently under discussion between LCHB, your English Solicitors, and the US defendants. We will advise you further about these as soon as we can, at the meetings in the U.K. and in our next correspondence.

### **Confidentiality**

We ask that you keep the terms of the settlement and the contents of this letter highly confidential. Please do not forward this letter or disclose its contents to the press or to anyone outside your immediate family, or post it on the internet. If confidentiality is breached, it could endanger the settlement for all clients.

Privileged and Confidential Attorney Client Communication  
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### Next Steps

In the next few weeks, we will be sending you the settlement documentation and instructions for completing it if you wish to accept the offer. We will also send announcements regarding dates of meetings Lieff Cabraser attorneys will hold in the United Kingdom together with Irwin Mitchell, which you may attend if you wish to discuss the settlement in person. You may also contact Irwin Mitchell with your questions and concerns.

Please advise us or your local counsel promptly if your contact information changes. If you received this letter by post only (not by email), then please provide us with an email address if you have one. Please also advise us as soon as possible if you have had any new children or changed your marital status since you submitted your preliminary profile form (PPF), or if anyone who was listed on the PPF has since died. If your claim is on behalf of a deceased hemophiliac or deceased infected spouse or child, we will need copies of the death certificate(s), as well as the estate papers if an estate has been created, if you have not already provided them.

We again thank you for the opportunity to represent you over the past years, and we look forward to a positive resolution to your claim.

Very truly yours,

GRO-C

Heather Foster

HAF:sp

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