

Judge Approves Final Terms of Improved National Pediatric Paxil Class Action Settlement - Consumers Get a Better Deal

April 27, 2007. Lawyers & Settlements

Madison County, Illinois April 26, 2007: Madison County Associate Judge Ralph Mendelsohn today approved and amended the national pediatric Paxil class settlement which will provide more payment to people who paid for Paxil for use by a minor. The case was based on documents showing that GSK had determined that Paxil failed to out-perform placebo for depressed minors yet GSK received money for Paxil prescribed to depressed minors. Class actions were filed in several courts seeking restitution of money paid by individuals and insurance companies or governmental entities that paid for minors' Paxil.

In Madison County Illinois, Paxil manufacturer GlaxoSmithKline (GSK) entered into a proposed \$63.8 million settlement. Lawyers representing claimants that had earlier filed similar class actions in MN and CA objected to the Madison County settlement as being unfair to the consumers in the other classes and to their lawyers, whose litigation greatly contributed to the proposed settlement.

Objectors to the proposed national class settlement argued that the settlement proposal had a loophole that prevented adequate payment to a considerable number of consumers. One of the problems with the proposed settlement was reimbursement to consumers who could not (or for privacy reasons would not) provide documentation of their out of pocket expenses for Paxil purchases for a minor. This potentially substantial group of class members would only receive \$15 each, and GSK limited the fund available to pay such claimants to \$300,000, thus disposing of a potentially large number of claimants for just \$300,000. This would result in underpayment by GSK to the class.

Under the new approved terms, claimants who cannot provide documentation of their Paxil purchases for a minor will receive up to \$100 by signing a claim form under penalty of perjury. Moreover, the team of lawyers representing objectors to the proposed settlement were able to negotiate the removal of the \$300,000 cap in addition to the increased individual payment. This uncapping makes available more payments to a larger portion of potential claimants, thus making the settlement more fair and GSK's overall payout more adequate.

The new claim form for purchasers of Paxil for minors unable or unwilling to provide documentation will be posted on the website for the Paxil Pediatric Settlement at www.paxilpediatricsettlement.com. The new claim form will also be posted at www.paxilprogress.org and www.baumhedlundlaw.com.

The team of lawyers for law firms representing Objector Colin Connare (Baum Hedlund and Strange & Carpenter of Los Angeles, Pendley Baudin Coffin of Baton Rouge and Larson King of Minneapolis) negotiated the new terms and worked in conjunction with lawyers for watch dog group Public Citizen, which was also making similar objections on behalf of Objector Douglas Bowman and PAL (Prescription Access Litigation).

By eliminating the cap for undocumented claims and increasing the amount of money, attorney Michael Baum said more people will come forward to make claims. "It simplified the process for a large portion of the class who would make claims. The most important objective of improving the settlement for all potential claimants was accomplished through the objections we filed on behalf of our client."