

C. WHAT YOU NEED TO KNOW ABOUT THE FUND B MATRIX-LEVEL BENEFITS

Fund B Matrix Benefits

WARNING: To seek Matrix-Level Benefits now from Fund B if you currently have a Matrix-Level condition as described below or to preserve the right to seek Matrix-Level Benefits in the future if you do not currently have a Matrix-Level condition, you must mail the Trust a BLUE Form postmarked no later than May 3, 2003. Although you should complete the BLUE Form in its entirety to facilitate the processing of your claim, it is the Trust's position that you must at least provide your name, address, and Social Security Number in Question 1, sign the Form, and answer Question 7, 8, or 9 to be treated by the Trust as having registered your claim. If your BLUE Form does not contain at least this information, the Trust will take the position that your claim is not registered and that you cannot receive any benefits under the Settlement Agreement. If you do not meet the May 3, 2003 deadline, you will never be able to make a claim for compensation from the Settlement or through an independent lawsuit, even if you now have a Matrix-Level condition or develop a Matrix-Level condition in the future.

If you took Pondimin[®] and/or Redux[™] for any period of time and you are diagnosed by a Board-Certified cardiologist or cardiothoracic surgeon as having either FDA Positive regurgitation or mild mitral regurgitation after you began using the diet drugs and on or before January 3, 2003, (or, on or before July 3, 2003, if your diagnosis occurred as a result of an Echocardiogram provided to you in the Trust's Screening Program, as described in Section B.2.c above) you have the right to seek monetary compensation now if you also presently have serious valvular heart disease ("VHD") of the aortic and/or mitral valves or to seek monetary compensation at a later date if you later develop serious VHD at any time before December 31, 2015.

There are five levels of serious VHD that qualify for payment under the Settlement. Generally, these can be described as:

Matrix Level I: Severe VHD without other medical signs of injury to the heart or any infection in the heart;

Matrix Level II: Moderate to severe VHD with medical signs of certain other injury to the heart;

Matrix Level III: Cases where valve repair or replacement surgery is performed or recommended;

Matrix Level IV: Serious complications of VHD or valve-related surgery such as a serious stroke; or

Matrix Level V: Very serious complications of VHD or valve-related surgery, such as death or a heart transplant.

The Settlement Agreement refers to these conditions as "Matrix-Level conditions." The Settlement Agreement and the GREEN Form in this packet describe these Matrix-Level conditions in greater detail. The amount of compensation that can be paid to you depends on several factors, including the severity of your condition,

your age, whether you took Pondimin® and/or Redux™ for more than 60 days, and whether you clearly have valvular regurgitation from causes other than from the use of Pondimin® and/or Redux™. Depending on these factors, the current range you could be paid is \$7,536 to as much as \$1,514,700.⁴ The actual payment amounts are shown in the payment matrix in Section IV.B.2 of the Settlement Agreement, although the payment amounts reflected in the Settlement Agreement and in the GREEN Form have now been increased by two percent as provided for under the terms of the Settlement. In the future, payment amounts will continue to be increased by two percent annually. In addition, the payment amounts are subject to certain Court-approved deductions, such as attorneys' fees, costs, and claims for certain medical expenses.

If you are paid by the Trust for a Matrix-Level condition and your medical condition later gets worse by progressing to a more serious level of heart valve disease as defined by the Settlement, you have the right in the Settlement to seek to "step up" to a higher paying Matrix-Level condition. The Settlement provides for additional payments if your condition worsens over time (see Section C.1 below). It also provides benefits if you do not have a Matrix-Level condition now but develop one later, provided that you meet the requirements and registration deadlines described in this Notice (see Section C.2 below).

A Representative Claimant can submit claims for Matrix-Level Benefits based upon the condition of the associated Diet Drug User. The Derivative Claimants of an eligible Diet Drug User also can receive payments themselves, depending upon applicable law.

1. Class Members Who Have Matrix-Level Conditions Now

Diet Drug Users who currently have a Matrix-Level condition, the Representative Claimants of such Diet Drug Users, and the Derivative Claimants of such Diet Drug Users, can recover cash compensation from the Trust now. To seek Matrix-Level Benefits now, you must mail the Trust:

- (1) a **BLUE Form** that you have completed and signed, **postmarked no later than May 3, 2003**; and
- (2) a **GREEN Form** completed and signed by you, your cardiologist, and your lawyer, if you have one. If there are Derivative Claimants, each one must sign the GREEN Form. The GREEN Form has three parts. You must complete Part I. Part II must be completed by a properly qualified physician, typically a Board-Certified Cardiologist with Level 2 training in echocardiography. Part III must be completed by your lawyer, if you are represented.

The GREEN Form is not due by May 3, 2003, but the sooner you get it in, the sooner your claim can be processed.

If you qualify for and are paid a Matrix-Level Benefit, then you may receive incremental payments in the future if your condition worsens and the change places your claim on a higher level of the payment matrix. To claim an incremental payment, you will have to submit to the Trust a completed and signed GREEN Form and appropriate medical records that demonstrate that you are suffering from a higher Matrix-Level condition. If you qualify for an additional payment, the amount of that payment, if any, will depend on the new Matrix-Level condition at which you qualify, and will be the difference, if any, between what you were paid initially, and the amount to which you are eligible to be paid based upon your higher Matrix-Level condition.

⁴ These amounts will increase 2% each year pursuant to the Settlement Agreement.

To complete the file on your claim for Matrix-Level Benefits and be paid if you qualify, you also will have to supply the Trust with: (1) prescription records documenting the Diet Drug Recipient's use of Pondimin[®] and/or Redux[™] and how long the Diet Drug Recipient took the drugs, as described in the BLUE Form; (2) a copy of the written report of the Echocardiogram on which the claim is based; (3) the tape or disk from the Echocardiogram, which is readable and is conducted in accordance with the standards specified in the Settlement Agreement; (4) medical records in support of the claim;⁵ and (5) if the Class Member is represented by counsel, a copy of the written fee agreement between the Class Member and the lawyer and a statement of out-of-pocket costs expended by the lawyer on behalf of the Class Member. If the Echocardiogram on which the claim is based was provided in the Trust's Screening Program, then you do not have to send in items (2) or (3) yourself because the Trust will obtain them directly from the cardiologist who participated in the Trust's Screening Program and provided you with the Echocardiogram upon which you are relying for your Matrix-Level condition. If the Echocardiogram on which your claim is based was not provided in the Trust's Screening Program, the Trust will not obtain it for you.

2. Class Members Who Do Not Have Matrix-Level Conditions Now, But Who Want to Preserve Their Rights to Be Paid in the Future

If you do not presently have serious levels of VHD, you cannot be paid any Matrix-Level Benefits now. If, however, after you began use of the diet drugs and on or before January 3, 2003, (or, on or before July 3, 2003, in the Trust's Screening Program as described in Section B.2.c above) you were diagnosed by a qualified physician as having FDA Positive regurgitation or as having mild mitral regurgitation, but not also

other medical conditions that would qualify you for a Matrix-Level condition at this time, you can preserve your right to recover cash compensation in the future if and when your condition worsens.

To preserve your right to seek Matrix-Level Benefits in the future, you must mail the Trust a **BLUE Form postmarked no later than May 3, 2003**, to register your claim. Even if you do not presently have serious VHD, you must submit a BLUE Form to the Trust no later than May 3, 2003. Although you should complete the BLUE Form in its entirety to facilitate the processing of your claim, it is the Trust's position that you must at least provide your name, address, and Social Security Number in Question 1, sign the Form, and answer Question 7, 8, or 9 to be treated by the Trust as having registered your claim. If your BLUE Form does not contain at least this information, the Trust will take the position that your claim is not registered and that you cannot receive any benefits under the Settlement Agreement.

You cannot be paid any Matrix-Level Benefits in the future unless you can show that you were diagnosed by a qualified physician as having FDA Positive or mild mitral regurgitation after you started using the diet drugs and on or before January 3, 2003 (or, on or before July 3, 2003, in the Trust's Screening Program, as described in Section B.2.c above). You can establish that diagnosis by mailing the Trust a **GRAY Form** completed and signed by your cardiologist to report on the results of an Echocardiogram performed on or before January 3, 2003 (or, on or before July 3, 2003, in the Trust's Screening Program, as described in Section B.2.c above). The GRAY Form is not subject to the May 3, 2003 deadline for filing your BLUE Form. However, you are encouraged to have a GRAY Form completed and signed by a qualified cardiologist and to file it with the Trust as soon as possible after receiving the results of your Echocardiogram.

⁵ As explained in Section C.4 of this Notice, under Memorandum and Pretrial Order No. 2662 the Trust will audit every unpaid claim for Matrix-Level Benefits requiring a medical eligibility determination. In an audit, the Trust may require you to send in additional medical records relating to your claim, including records regarding alternative causes of your condition. If you want to expedite processing of your claim, you should send in your medical records along with your GREEN Form.

If you rely upon one particular Echocardiogram to show a diagnosis of FDA Positive or mild mitral regurgitation by January 3, 2003, and a different Echocardiogram to show a Matrix-Level condition, then you must mail the Trust a completed and signed GRAY Form for the first Echocardiogram and a completed and signed GREEN Form for the Matrix-Level Echocardiogram. If you obtained your Echocardiogram in the Trust's Screening Program, then you do not have to send in the GRAY Form yourself because the Trust will obtain that GRAY Form directly from the cardiologists participating in the Screening Program.

If you register your claim by mailing the Trust a BLUE Form on or before May 3, 2003, and can show that you were diagnosed by a qualified physician as FDA Positive or as having mild mitral regurgitation on or before January 3, 2003 (or, on or before July 3, 2003, in the Trust's Screening Program, as described in Section B.2.c above), and you then reach a Matrix-Level condition in the future, you can then seek Matrix-Level Benefits by mailing the Trust a completed and signed **GREEN Form postmarked no later than December 31, 2015**. A Representative Claimant and each Derivative Claimant seeking payment also must mail a completed and signed GREEN Form to the Trust postmarked no later than December 31, 2015. If you qualify for and are paid a Matrix-Level Benefit, then you preserve your right to receive incremental payments in the future if your condition worsens and the change places your claim on a higher level of the payment matrix, even after December 31, 2015, although as noted above, you will need to submit a new, completed GREEN Form along with appropriate medical records each time you seek an incremental payment based upon a change in your medical condition that you believe qualifies you for Matrix-Level Benefits at a higher Matrix-Level condition.

GENERAL WARNING about Matrix claims (other than those based on Endocardial Fibrosis): if you fail to meet the January 3, 2003 (or July 3, 2003, if applicable) deadline for FDA Positive or mild mitral regurgitation diagnosis or the May 3, 2003 deadline for mailing the BLUE Form, you will never be able to make a claim for compensation for damages arising from the use of Pondimin® or Redux™, either from the Trust or through an independent lawsuit, even if you now have or later develop a Matrix-Level condition.

3. Matrix Claims Based on Endocardial Fibrosis

Diet Drug Users who have the medical condition known as Endocardial Fibrosis, as defined in Section I.21 of the Settlement Agreement, have deadlines for seeking Matrix-Level Benefits that differ from Diet Drug Users with valvular heart disease. The May 3, 2003 deadline for registering for Matrix-Level Benefits does not apply to claims based on Endocardial Fibrosis.

Instead, a Diet Drug User can seek Matrix-Level Benefits for Endocardial Fibrosis if he or she is diagnosed by a qualified physician as having Endocardial Fibrosis on or before **September 30, 2005**. To seek payment, the Diet Drug User must register with the Trust by mailing the Trust a BLUE Form **postmarked no later than January 31, 2006**. To complete the claim the Diet Drug User also must supply the Trust with a completed and signed GREEN Form and hospital reports and other medical records relating to the condition claimed.

A Representative Claimant of a deceased or incapacitated Diet Drug User who was diagnosed with Endocardial Fibrosis on or before September 30, 2005, can submit a claim to the Trust for Matrix-Level Benefits based on that diagnosis and must also register that claim with the Trust by mailing the Trust a BLUE Form