



FOR IMMEDIATE RELEASE

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COURT URGED TO CUT ATTORNEYS' FEES IN CLASS ACTION CASE

(In re Synthroid Marketing Litigation)

The Washington Legal Foundation (WLF) filed objections this week with the United States District Court for the Northern District of Illinois in Chicago on behalf of two class members to the proposed award of attorneys' fees in a major class action case.

In re Synthroid Marketing Litigation was filed in April 1996 on behalf of consumers who had purchased and consumed the medication Synthroid after January 1, 1990. The allegations in the complaint concerned only the marketing of the drug; no allegations were made as to Synthroid's safety or effectiveness. In short, the lawsuit alleged that the advertising associated with Synthroid inaccurately suggested the superiority of Synthroid over other products which are used to treat certain thyroid disorders, thereby deterring consumers from purchasing less expensive alternatives to Synthroid. A proposed settlement to the class action was originally submitted in 1997, and a hearing was held in 1998; however, certain insurance carriers and state Attorneys General intervened in the case to share in the award. Accordingly, another proposed settlement agreement was recently reached, and class members were given an opportunity to lodge their objections to the proposed settlement for the Court's consideration.

The settlement fund will contain approximately \$87 million for the benefit of the class members. However, the attorneys are seeking 29 percent of that amount, or approximately \$26 million in fees. Because this is a common fund case, every dollar that is allocated to attorneys' fees is one dollar less for the class members. WLF, representing two senior citizens who purchased Synthroid, objected to the proposed percentage because it is clearly excessive, unfair, and not in the interests of the class. In particular, WLF demanded that the attorneys provide the Court with contemporaneous time records to justify any award of attorneys' fees. In addition, WLF cited a number of other similar multimillion dollar class action cases where attorneys' fees were awarded by the court in the 6-15 percent range; accordingly, the 29 percent fee being requested in this case is at least double the amount that is usually awarded.

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