

Fen-Phen Settlement Approved

By Bloomberg News

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The American Home Products Corporation won final approval of a \$3.75 billion settlement of fen-phen lawsuits after the deadline for filing legal appeals expired, company officials said today.

In May, the United States Court of Appeals for the Third Circuit approved the settlement, which includes \$1 billion for future medical checkups and \$2.34 billion to settle individual suits over the company's fen-phen diet drug combination.

Consumers and health providers had until last week to ask the Supreme Court to review the agreement. No requests were filed, American Home said in a news release.

Officials of American Home, based in Madison, now face a new wave of fen-phen lawsuits from users who decided to opt out of the settlement, plaintiffs' lawyers say. Final approval starts a 16-month period in which such suits can be filed.

The company created the national settlement plan in 1999 to resolve suits by users of the company's Pondimin and Redux diet drugs. Consumers say the combination damaged their heart valves.

American Home executives pulled the drugs off the market in 1997 after they were linked to heart problems and a fatal lung disease. The drugs were taken with the generic drug phentermine to make up the so-called fen-phen combination.

American Home has been forced to set aside \$13.2 billion to resolve fen-phen litigation after failing to win a single case that came to trial over the last four years. That reserve includes the \$3.75 billion national settlement.

As part of the settlement, former fen-phen users unhappy with the amount of compensation they are scheduled to receive under the plan can opt to file new suits

against American Home until April 2003.