

United States District Court  
Southern District of Texas  
FILED

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SEP 25 2001

Michael N. Milby, Clerk

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SCOTT MAYO, ET AL. )  
)  
VS. )  
)  
HARTFORD LIFE INSURANCE )  
COMPANY, ET AL. )

NO. 01-CV-2139  
September 7, 2001

SCHEDULING CONFERENCE  
BEFORE THE HONORABLE NANCY F. ATLAS

For the Plaintiffs Mr. Scott M. Clearman  
McClanahan & Clearman, L.L.P.  
Houston, Texas

For Defendant Mr. Barry A. Chasnoff  
Hartford Life Insurance Akin, Gump, et al.  
San Antonio, Texas

For Defendants Mr. J. C. Nickens  
Camelot Music, Inc. Clements, O'Neill, et al.  
and Trans World Houston, Texas  
Entertainment Corp.

Mr. Myron Kirschbaum  
Kaye Scholer, L.L.P.  
New York, New York

For Defendant Daniel M. McClure  
Wal-Mart Stores, Inc. Fulbright & Jaworski, L.L.P.  
Houston, Texas

Court Reporter: Bruce Slavin  
Certified Court Reporter

Proceedings reported by mechanical stenography and produced  
by computer-aided transcription.

# 26

1           THE COURT: So, why didn't the -- I am sure there is  
2 some brilliant insurance expert's plan here that was sold to  
3 these companies, but why didn't they do what they do in  
4 mortgages, which is sometimes that they encourage the  
5 borrower to take out an insurance policy on the borrower's  
6 life? But I think the borrower does it; it's not the  
7 mortgage company.

8           MR. CHASNOFF: It's hard to --

9           THE COURT: And that insurance can be used, I guess,  
10 to collateralize the mortgage.

11          MR. CHASNOFF: The why's are not always clear, but  
12 the approach taken was that the company, for example, I think  
13 the estimate is, took out policies on 300,000 employees,  
14 individual policies, and when you look at the proposed docket  
15 control order and those things you will see that the  
16 Plaintiffs have proposed a defendant class as well as a  
17 plaintiffs class. The net effect of that would be to touch  
18 on policies probably -- And they're looking for more insurers  
19 than just Hartford. The companies involved, I would guess  
20 probably -- if all were brought in, if the Court certified  
21 this class and it all happened, I would guess we're talking  
22 that those companies insured five or six million lives, some  
23 percentage of which would be covered by their described  
24 class -- that is, those lives in Texas.

25          THE COURT: But the class that they're asking for of