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Honorable H. Russel Holland

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

In re:)	
)	Case No. 3:89-cv-00095-HRH
The EXXON VALDEZ)	(Consolidated)
_____)	
)	
THIS DOCUMENT RELATES TO)	
ALL CASES)	
_____)	

ALL PLAINTIFFS' LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN
ORDER DISTRIBUTING EXXON QUALIFIED SETTLEMENT PUNITIVE
DAMAGE FUNDS TO MULTIPLE CLAIM CATEGORIES
AND THEIR ATTORNEYS

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1 This is the eighteenth of several applications for authority to distribute portions of
2 the money plaintiffs received from Exxon as partial payments on the punitive damages
3 judgment entered by the United States Supreme Court.
4

5 The current application (All Plaintiffs' Lead Counsel's Eighteenth Punitive
6 Damages Application) to distribute EQSF funds covers claimants scheduled to receive
7 their portion of the Final Distribution (as defined in connection with the Sixteenth
8 Application) as well as Combined Compensatory Damages, Punitive Damages Principal
9 and/or Punitive Damages Interest for these claimants if they have not previously received
10 those distributions. For claimants listed in this application, this will be their final
11 payment from the EQSF. *See* Declaration of Lynn Lincoln Sarko In Support Of Lead
12 Counsel's Eighteenth Punitive Damages Application For An Order Distributing Exxon
13 Qualified Settlement Funds To Claimants In Various Categories And Their Attorneys,
14 filed herewith.
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16

17 This application covers claimants primarily but not exclusively in any of the 51
18 claim categories that have a single payment which must be made to the IRS and no other
19 liens, but also includes claimants who had some impediment to distribution in a prior
20 application, and for whom the impediment is now resolved.
21

22 The three categories of claimants for whom IRS payments are required are: (1)
23 claimants who have outstanding IRS levies; (2) claimants for whom we are required to do
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25

LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING
EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE
CLAIM CATEGORIES AND THEIR ATTORNEYS - 2

In re the Exxon Valdez, Case No. 3:89-cv-095-HRH

1 mandatory backup withholding; and (3) claimants who have asked for voluntary
2 withholding of a portion of their recoveries.

3
4 In the first category in which IRS payments are required, approximately 1091
5 claimants, with 3195 claims to process, have an outstanding IRS levy, but no other lien,
6 levy or assignment. Of these claimants, approximately 1031 will require the entire
7 amount of their claims to be paid to the IRS, and approximately 60 claimants require
8 payment of part of their claims to the IRS (up to the amount of the levy), and the balance
9 to the claimant. To the extent that an amount needs to be paid by the EQSF to the IRS,
10 the EQSF has worked out a process acceptable to the IRS by which individual checks on
11 behalf of each claimant will be sent to the IRS. To the extent there is a balance due to a
12 particular claimant, a direct deposit or check in that amount will be made in favor of the
13 claimant once the IRS confirms that the lien has been satisfied.

14
15
16 The second category in which IRS payments are required is composed of
17 approximately 544 claimants, with 1922 claims to process, for whom mandatory backup
18 withholding is required. These claimants fall within three subgroups: (1) those who
19 submitted a form to the EQSF indicating that their claims require mandatory backup
20 withholding; (2) those for whom the IRS has given us notice that backup withholding is
21 required; and (3) those whose claims are otherwise payable but who have not submitted a
22 current W-9 to the EQSF. For this latter sub-group, as has been done in prior
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LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING
EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE
CLAIM CATEGORIES AND THEIR ATTORNEYS - 3

In re the Exxon Valdez, Case No. 3:89-cv-095-HRH

1 applications for distribution, the EQSF will treat them as if they required mandatory
2 backup withholding. For all three sub-categories, the Administrator will direct the EQSF
3 to withhold and remit 28% of the claim to the IRS, and the balance to the claimant. For
4 transfer of these amounts to the IRS, the EQSF has worked out a process acceptable to
5 the IRS by which we will use the IRS Electronic Funds Transfer Payment System
6 (EFTPS), and can make this remittance on behalf of this entire group of claimants with a
7 single transfer. The balance will be paid to the claimants, by either direct deposit or a
8 check.
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11 The third category in which IRS payments are required is composed of
12 approximately 759 claimants, with 2052 claims to process, who signed up for voluntary
13 withholding, through which the EQSF has been asked to deduct a certain percentage of
14 any amount due the claimant and forward it to the IRS on behalf of the claimant. As with
15 the claims covered by subparagraph 5 above, the EQSF will use the EFTPS for payment,
16 and the balance will be paid to the claimants, by either direct deposit or a check.
17
18

19 Examples of claimants who are covered in this application because their claim has
20 recently been resolved include those deceased claimants for whom a personal
21 representative had not been identified in the past, claimants who submitted updated
22 address information and those claimants whose IRS levies have now been released. The
23 number of recently resolved impaired claims is composed approximately of
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LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING
EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE
CLAIM CATEGORIES AND THEIR ATTORNEYS - 4

In re the Exxon Valdez, Case No. 3:89-cv-095-HRH

1 approximately 359 claimants, with 1197 claims to process. Assuming no additional lien,
2 levy or assignment is received between now and when payments are issued, the entire
3 amount will be paid to these claimants, by either direct deposit or a check.
4

5 Exhibit A to Mr. Sarko's declaration sets out the gross amounts of Combined
6 Compensatory Damages (the Supplemental, Compensatory Damages and Compensatory
7 Interest allocations are consolidated on Exhibit A) payments allocated to claimants.
8 There are 2763 claims being paid, the total amount of which is \$182,988.15.
9

10 Exhibit B to Mr. Sarko's declaration sets out the gross amounts of Punitive
11 Damages Principal allocated to claimants. There are 942 claims being paid, the total
12 amount of which is \$1,155,712.18.
13

14 Exhibit C to Mr. Sarko's declaration sets out the gross amounts of Punitive
15 Damages Interest allocated to claimants. There are 961 claims being paid, the total
16 amount of which is \$1,029,994.10.
17

18 Exhibit D to Mr. Sarko's declaration sets out the gross amounts of the Final
19 Distribution allocated to claimants. There are 3700 claims being paid, the total amount of
20 which is \$7,392,292.25.

21 There are no contested claims being paid under this Application.

22 For the 8366 claims covered by this Eighteenth Application, distributions to or on
23 behalf of the claimants will be made as set out in Exhibits A-D to Mr. Sarko's
24

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LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING
EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE
CLAIM CATEGORIES AND THEIR ATTORNEYS - 5

In re the Exxon Valdez, Case No. 3:89-cv-095-HRH

1 declaration, and if the Court approves this distribution, a gross distribution of
2 \$9,760,986.68 will be made.

3
4 A proposed order is attached authorizing the proposed distributions discussed in
5 this Application.

6 Respectfully submitted this 23rd day of February 2011.

7
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16 Certificate of Service

17 The undersigned certifies that on February 23, 2011, a true and correct copy of the foregoing
18 LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING EXXON
19 QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE CLAIM
20 CATEGORIES AND THEIR ATTORNEYS was served on the following attorneys or
21 parties of record by the court's ECF system:

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LEAD COUNSEL'S EIGHTEENTH APPLICATION FOR AN ORDER DISTRIBUTING
EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO MULTIPLE
CLAIM CATEGORIES AND THEIR ATTORNEYS - 6