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Liaison Counsel for Plaintiffs

Honorable H. Russel Holland

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

In re:	)	
	)	Case No. 3:89-cv-095 (HRH)
The EXXON VALDEZ	)	(Consolidated)
_____	)	
THIS DOCUMENT RELATES TO	)	
ALL CASES	)	
_____	)	

**DECLARATION OF LYNN LINCOLN SARKO IN SUPPORT OF LEAD  
COUNSEL'S NINTH PUNITIVE DAMAGES APPLICATION FOR AN ORDER  
DISTRIBUTING EXXON QUALIFIED SETTLEMENT FUNDS TO CLAIMANTS  
IN VARIOUS CATEGORIES AND THEIR ATTORNEYS**

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1 1. I am the Court-appointed Claims Administrator of both the Exxon Qualified  
2 Settlement Fund (hereinafter "EQSF") and the Alyeska Qualified Settlement Fund  
3 (hereinafter "AQSF"). I make this declaration based on personal knowledge and am  
4 competent to testify to the matters set forth herein.  
5

6 2. The current application (All Plaintiffs' Lead Counsel's Ninth Punitive  
7 Damages Application) to distribute punitive damages covers claimants scheduled to  
8 receive punitive damages "interest and principal" payments primarily but not exclusively  
9 in four categories: (1) claimants who have single liens as a result of a bankruptcy  
10 proceeding; or multiple liens which include a bankruptcy proceeding; (2) claimants who  
11 have a single lien owed to the State of Alaska's Commercial Fisheries Aquaculture Bank  
12 or Division of Investments; (3) claimants who have a single lien owed to a child support  
13 enforcement agency in Alaska or elsewhere; and (4) claimants who had some impediment  
14 to distribution in a prior application, but for whom the impediment is now removed.  
15 Examples of such impediments include the failure of a personal representative to have  
16 identified themselves in the past, (now cleared because we have received notice of a court  
17 appointment or an appropriate affidavit for a small estate), or IRS liens which have now  
18 been released.  
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22 3. Though the current application covers primarily claimants with single liens or  
23 claimants for whom impediments to distribution have been cleared up, there will be some  
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1 additional claimants covered, including Mr. Powers, whom the court directed receive his  
2 distribution as part of the Ninth application.

3 4. To assist the Court in its planning, and to provide notice to claimants not  
4 covered by this application, I provide the following information regarding the timing and  
5 content of anticipated future applications.  
6

- 7 • I am expecting to make a tenth application that will involve claimants in all  
8 claim categories with levies, or voluntary or involuntary withholding to be  
9 paid to the Internal Revenue Service. We anticipate talking with the IRS  
10 about developing a mutually acceptable procedure on January 14, 2010, to  
11 coordinate efforts with the Service, and making the tenth application  
12 shortly thereafter.
- 13 • I am next expecting to make an application which will involve claimants in  
14 all claim categories with single liens owed to all other entities, including,  
15 primarily, general judgment debtors and former spouses.
- 16 • Applications will be made for claimants in all claim categories with  
17 multiple liens.
- 18 • I expect to make an application for distributions to claimants in the unhoiled  
19 fishery claim category during the first half of 2010. Of the approximately  
20 8000 claims which have been filed, and processed, there are approximately  
21 40 claimants who have filed timely objections to their final percent shares,  
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and whose appeals will be heard during the first week of January, 2010, by Plaintiffs' Allocation Committee. Based on the grounds for objections filed by the objectors, we are hopeful that very few claims will need to be processed by the Court's Special Master, or the Court. The nature and number of objections made to the Special Master after PAC hearings, now scheduled for early January, will determine when a distribution application can be made to the Court for unhoiled fish claims.

- Because Exxon has recently sent approximately \$71.8 million to the EQSF (reflecting the cost money it had previously indicated would be the subject of a petition for certiorari), it will be necessary to distribute that to all claimants in the future. I am hoping now that there will be resolution of the outstanding claims involving processors (CIP and Nautilus) for which substantial (approximately \$50 million) reserves have been made, so that we will be able to make a final distribution to all claimants of the cost money and the reserved money thereafter.

5. For the 1775 claims covered by this ninth application, distributions to or on behalf of the claimants will be made as set out in Exhibits A-E to this declaration, and if the Court approves this distribution, a gross distribution of \$24,989,001.31 will be made. That total is composed of \$2,507,298.86 to 321 claimants receiving punitive damages principal in categories other than damaged gear (Exhibit A); \$786.21 to a single claimant

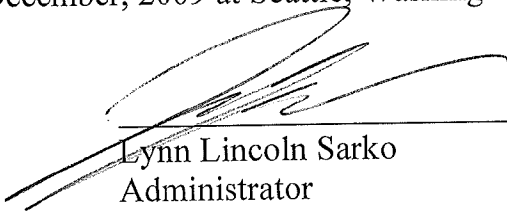
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1 claimants receiving punitive damages principal for damaged gear (Exhibit B);  
2 \$22,476,141.90 to 1451 claimants receiving punitive damages interest in categories other  
3 than damaged gear (Exhibit C); \$422.75 to a single claimant receiving punitive damages  
4 interest for damaged gear (Exhibit D); and \$4,351.59 to 1 claimant receiving  
5 compensatory damages, punitive damages principal and punitive damages interest  
6 (Exhibit E).

7  
8 6. If the Court approves the current request, I will begin authorizing payments to  
9 be issued to each of the listed claimants as soon as possible after entry of this Court's  
10 order approving the distribution application.

11  
12 7. I certify under penalty of perjury of the laws of the State of Washington that the  
13 foregoing is true and correct.

14 DATED this 28<sup>th</sup> day of December, 2009 at Seattle, Washington.

15  
16  
17 

18 Lynn Lincoln Sarko  
19 Administrator  
20 Exxon Qualified Settlement Fund  
21 Alyeska Qualified Settlement Fund  
22 Post Office Box 21945  
23 Seattle, Washington 98111  
24 (206) 623-1900

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Certificate of Service

The undersigned certifies that on December 29, 2009, a true and correct copy of the foregoing DECLARATION OF LYNN LINCOLN SARKO IN SUPPORT OF LEAD COUNSEL'S NINTH APPLICATION FOR AN ORDER DISTRIBUTING EXXON QUALIFIED SETTLEMENT PUNITIVE DAMAGE FUNDS TO VARIOUS CLAIM CATEGORIES AND THEIR ATTORNEYS was served on the following attorneys or parties of record by the court's ECF system:

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