

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.
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6 2. The current application (All Plaintiffs' Lead Counsel's Eighteenth Punitive
7 Damages Application) to distribute EQSF funds covers claimants scheduled to receive
8 their portion of the Final Distribution (as defined in connection with the Sixteenth
9 Application) as well as Combined Compensatory Damages, Punitive Damages Principal
10 and/or Punitive Damages Interest for these claimants if they have not previously received
11 those distributions. This application covers claimants primarily but not exclusively in
12 any of the 51 claim categories that have a single payment which must be made to the IRS
13 and no other liens, but also includes claimants who had some impediment to distribution
14 in a prior application, and for whom the impediment is now resolved. For purposes of
15 illustrating the number of payments the EQSF has to process, the number of claims are
16 represented in the following sections, rather than listing the total number of claimants.
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18 3. The three categories of claimants for whom IRS payments are required are: (1)
19 claimants who have outstanding IRS levies; (2) claimants for whom we are required to do
20 mandatory backup withholding; and (3) claimants who have asked for voluntary
21 withholding of a portion of their recoveries.
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23 4. In the first category in which IRS payments are required, approximately 1091
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1 claimants, with 3195 claims to process, have an outstanding IRS levy, but no other lien,
2 levy or assignment. Of these claimants, approximately 1031 will require the entire
3 amount of their claims to be paid to the IRS, and approximately 60 claimants require
4 payment of part of their claims to the IRS (up to the amount of the levy), and the balance
5 to the claimant. To the extent that an amount needs to be paid by the EQSF to the IRS,
6 the EQSF has worked out a process acceptable to the IRS by which individual checks on
7 behalf of each claimant will be sent to the IRS. To the extent there is a balance due to a
8 particular claimant, a direct deposit or check in that amount will be made in favor of the
9 claimant once the IRS confirms that the lien has been satisfied.
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12 5. The second category in which IRS payments are required is composed of
13 approximately 544 claimants, with 1922 claims to process, for whom mandatory backup
14 withholding is required. These claimants fall within three subgroups: (1) those who
15 submitted a form to the EQSF indicating that their claims require mandatory backup
16 withholding; (2) those for whom the IRS has given us notice that backup withholding is
17 required; and (3) those whose claims are otherwise payable but who have not submitted
18 a current W-9 to the EQSF. For this latter sub-group, as has been done in prior
19 applications for distribution, the EQSF will treat them as if they required mandatory
20 backup withholding. For all three sub-categories, I will direct the EQSF to withhold and
21 remit 28% of the claim to the IRS, and the balance to the claimant. For transfer of these
22 amounts to the IRS, the EQSF has worked out a process acceptable to the IRS by which
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1 we will use the IRS Electronic Funds Transfer Payment System (EFTPS), and can make
2 this remittance on behalf of this entire group of claimants with a single transfer. The
3 balance will be paid to the claimants, by either direct deposit or a check.

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5 6. The third category in which IRS payments are required is composed of
6 approximately 759 claimants, with 2052 claims to process, who signed up for voluntary
7 withholding, through which the EQSF has been asked to deduct a certain percentage of
8 any amount due the claimant and forward it to the IRS on behalf of the claimant. As with
9 the claims covered by subparagraph 5 above, the EQSF will use the EFTPS for payment,
10 and the balance will be paid to the claimants, by either direct deposit or a check.

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12 7. Examples of claimants who are covered in this application because their claim
13 has recently been resolved include those deceased claimants for whom a personal
14 representative had not been identified in the past, claimants who submitted updated
15 address information and those claimants whose IRS levies have now been released. The
16 number of recently resolved impaired claims is composed approximately of
17 approximately 359 claimants, with 1197 claims to process. Assuming no additional lien,
18 levy or assignment is received between now and when payments are issued, the entire
19 amount will be paid to these claimants, by either direct deposit or a check.

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22 8. Exhibit A to this declaration sets out the gross amounts of Combined
23 Compensatory Damages (the Supplemental, Compensatory Damages and Compensatory
24 Interest allocations are consolidated on Exhibit A) payments allocated to claimants.
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1 There are 2763 claims being paid, the total amount of which is \$182,988.15.

2 9. Exhibit B to this declaration sets out the gross amounts of Punitive Damages
3 Principal allocated to claimants. There are 942 claims being paid, the total amount of
4 which is \$1,155,712.18.

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6 10. Exhibit C to this declaration sets out the gross amounts of Punitive Damages
7 Interest allocated to claimants. There are 961 claims being paid, the total amount of
8 which is \$1,029,994.10.

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10 11. Exhibit D to this declaration sets out the gross amounts of the Final
11 Distribution allocated to claimants. There are 3700 claims being paid, the total amount of
12 which is \$7,392,292.25.

13 12. There are no contested claims being paid under the 18th Application.

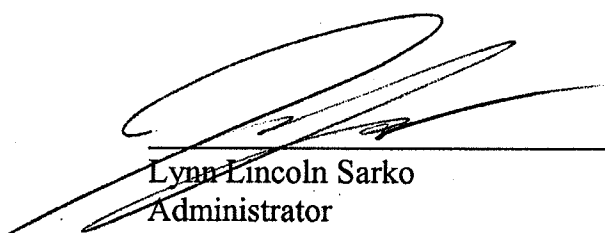
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15 13. For the 8366 claims covered by this Eighteenth Application, distributions to
16 or on behalf of the claimants will be made as set out in Exhibits A-D to this declaration,
17 and if the Court approves this distribution, a gross distribution of \$9,760,986.68 will be
18 made.

19 14. If the Court approves the current request, I will begin authorizing payments to
20 be issued to each of the listed claimants as soon as possible after entry of this Court's
21 order approving the distribution application.
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1 15. I certify under penalty of perjury of the laws of the State of Washington that
2 the foregoing is true and correct.

3 DATED this 23rd day of February 2011 at Seattle, Washington.

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Lynn Lincoln Sarko
Administrator
Exxon Qualified Settlement Fund
Alyeska Qualified Settlement Fund
Post Office Box 21945
Seattle, Washington 98111
(206) 623-1900

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12 Certificate of Service

The undersigned certifies that on February 23, 2011, a true and correct copy of the foregoing
13 DECLARATION OF LYNN LINCOLN SARKO IN SUPPORT OF 18th PUNITIVE DAMAGES
14 APPLICATION FOR AN ORDER DISTRIBUTING EXXON QUALIFIED SETTLEMENT FUNDS
TO CLAIMANTS IN 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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17 By: s/ David W. Oesting
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