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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-00095-HRH
The EXXON VALDEZ	)	(Consolidated)
_____	)	
	)	
THIS DOCUMENT RELATES TO	)	
ALL CASES	)	
_____	)	

ALL PLAINTIFFS' LEAD COUNSEL'S NINTH PUNITIVE DAMAGES  
APPLICATION FOR AN ORDER DISTRIBUTING EXXON QUALIFIED  
SETTLEMENT FUNDS TO VARIOUS CLAIM CATEGORIES  
AND THEIR ATTORNEYS

This is the ninth of several applications for authority to distribute portions of the money plaintiffs received from Exxon as partial payments on the punitive damages

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1 judgment entered by the United States Supreme Court. Through this application, the  
2 Administrator proposes to distribute punitive damages principal and interest payments to  
3 several categories of claimants, primarily those who have a single lien on their claims.  
4  
5 *See Declaration Of Lynn Lincoln Sarko In Support Of Lead Counsel's Ninth Punitive*  
6 *Damages Application For An Order Distributing Exxon Qualified Settlement Funds To*  
7 *Claimants In Various Categories And Their Attorneys, filed herewith. We also take this*  
8 *opportunity also to advise the Court of proposed distributions to follow this Ninth*  
9 *Application.*

11 The current application to distribute punitive damages covers claimants scheduled  
12 to receive punitive damages “interest and principal” payments primarily, but not  
13 exclusively, in four categories: (1) claimants who have single liens as a result of a  
14 bankruptcy proceeding or multiple liens which include a bankruptcy proceeding; (2)  
15 claimants who have a single lien owed to the State of Alaska’s Commercial Fisheries  
16 Aquaculture Bank or Division of Investments; (3) claimants who have a single lien owed  
17 to a child support enforcement agency in Alaska or elsewhere; and (4) claimants who had  
18 some impediment to distribution in a prior application, but for whom the impediment is  
19 now removed. Examples of such impediments include the failure of a personal  
20 representative to have identified themselves in the past, (now cleared because we have  
21 received notice of a court appointment or an appropriate affidavit for a small estate), or  
22 IRS liens which have now been released.

23 LEAD COUNSEL'S NINTH APPLICATION FOR AN ORDER DISTRIBUTING  
24 EXXON QUALIFIED SETTLEMENT FUNDS TO VARIOUS CLAIM  
25 CATEGORIES AND THEIR ATTORNEYS - 2

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

1           Though the current application covers primarily claimants with single liens or  
2 claimants for whom impediments to distribution have been cleared up, there will be some  
3 additional claimants covered, including Mr. Powers, whom the Court directed receive his  
4 distribution as part of the Ninth application.  
5

6           To assist the Court in its planning, and to provide notice to claimants not covered  
7 by this application, we provide the following information regarding the timing and  
8 content of anticipated future applications.  
9

- 10           • The Administrator is expecting to make a tenth application that will  
11 involve claimants in all claim categories with levies, or voluntary or  
12 involuntary withholding to be paid to the Internal Revenue Service. He  
13 anticipates talking with the IRS about developing a mutually acceptable  
14 procedure on January 14, 2010, to coordinate efforts with the Service, and  
15 making the tenth application shortly thereafter.
- 16           • The Administrator is expecting to make an application which will involve  
17 claimants in all claim categories with single liens owed to all other entities,  
18 including, primarily, general judgment debtors and former spouses.
- 19           • Applications will then be made for claimants in all claim categories with  
20 multiple liens.  
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- The Administrator expects to make an application for distributions to claimants in the unoiled fishery claim category during the first half of 2010. Of the approximately 8000 claims which have been filed, and processed, there are approximately 40 claimants who have filed timely objections to their final percent shares, 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 unoiled 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. Thereafter, the Administrator expects 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.

1 For the 1775 claims covered by this ninth application, distributions to or on behalf  
2 of the claimants will be made as set out in Exhibits A-E to the declaration of Lynn  
3 Lincoln Sarko filed herewith, and if the Court approves this distribution, a gross  
4 distribution of \$24,989,001.31 will be made. That total is composed of \$2,507,298.86 to  
5 321 claimants receiving punitive damages principal in categories other than damaged  
6 gear (Exhibit A); \$786.21 to a single claimant claimants receiving punitive damages  
7 principal for damaged gear (Exhibit B); \$22,476,141.90 to 1451 claimants receiving  
8 punitive damages interest in categories other than damaged gear (Exhibit C); \$422.75 to a  
9 single claimant receiving punitive damages interest for damaged gear (Exhibit D); and  
10 \$4,351.59 to a single claimant receiving compensatory damages, punitive damages  
11 principal and punitive damages interest (Exhibit E).

12  
13  
14  
15 A proposed order is attached authorizing the proposed distributions discussed in  
16 this application.

17 Respectfully submitted this 29<sup>th</sup> day of December 2009.

18  
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Certificate of Service

The undersigned certifies that on December 29, 2009, a true and correct copy of the foregoing  
LEAD COUNSEL'S NINTH PUNITIVE DAMAGES APPLICATION FOR AN ORDER DISTRIBUTING  
EXXON QUALIFIED SETTLEMENT 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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LEAD COUNSEL'S NINTH APPLICATION FOR AN ORDER DISTRIBUTING  
EXXON QUALIFIED SETTLEMENT FUNDS TO VARIOUS CLAIM  
CATEGORIES AND THEIR ATTORNEYS - 6

*In re the Exxon Valdez*, Case No. 3:89-cv-095-HRH  
DWT 13739906v1 0027510-000015