

1 This is the tenth of several applications for authority to distribute portions of the
2 money plaintiffs received from Exxon as partial payments on the punitive damages
3 judgment entered by the United States Supreme Court. The current application to
4 distribute punitive damages covers: (1) claimants in any of the 51 claim categories that
5 have a single payment which must be made to the IRS, and no other liens; and (2)
6 claimants who have resolved impairments in their claims since the last application. *See*
7 Declaration Of Lynn Lincoln Sarko In Support Of Lead Counsel's Tenth Punitive
8 Damages Application For An Order Distributing Exxon Qualified Settlement Funds To
9 Claimants In Various Categories And Their Attorneys, filed herewith.

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12 Through this application, we are proposing to now pay approximately 3600 claims
13 involving a payment to the IRS, divided into three principal categories. The three
14 categories involving the IRS are: (1) claimants who have outstanding IRS levies; (2)
15 claimants for whom we are required to do backup withholding; and (3) claimants who
16 have asked for voluntary withholding of a portion of their recoveries.

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18 In the first category, 874 claimants have an outstanding IRS levy, but no other
19 lien, levy or assignment. Of these claims, 709 will require the entire amount of the claim
20 to be paid to the IRS, and 165 require payment of part of the claim to the IRS (up to the
21 amount of the levy), and the balance to the claimant. To the extent that an amount needs
22 to be paid by the EQSF to the IRS, we have worked out a process acceptable to the IRS
23 by which individual checks on behalf of each claimant will be sent to the IRS. To the
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1 extent there is a balance due to a particular claimant, a direct deposit or check in that
2 amount will be made in favor of the claimant.

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4 The second category is composed of 518 claimants for whom mandatory backup
5 withholding is required. These claimants fall within three subgroups: (1) those who
6 submitted a form to the EQSF indicating that their claims require mandatory backup
7 withholding; (2) those for whom the IRS has given us notice that backup withholding is
8 required; and (3) those whose claims are otherwise payable but who have not submitted a
9 current W-9 to the EQSF. For this latter sub-group, as has been done in prior
10 applications for distribution, the EQSF will treat them as if they required mandatory
11 backup withholding. For all three sub-categories, the Administrator will direct the EQSF
12 to withhold and remit 28% of the claim to the IRS, and to distribute the balance to the
13 claimant. For transfer of these amounts to the IRS, the EQSF has worked out a process
14 acceptable to the IRS by which we will use the IRS Electronic Funds Transfer Payment
15 System (EFTPS), and can make this remittance on behalf of this entire group of claimants
16 with a single transfer. The balance will be paid to the claimants, either by direct deposit
17 or a check.

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21 The third category is composed of 510 claimants who signed up for voluntary
22 withholding, through which the EQSF has been asked to deduct a certain percentage of
23 any amount due the claimant and forward it to the IRS on behalf of the claimant. As with
24 the claims covered in the preceding paragraph, the EQSF will use the EFTPS for
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1 payment, and the balance will be paid to the claimants, either by direct deposit or a
2 check.

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4 Finally, we anticipate paying 287 claimants who have resolved any outstanding
5 impairments in their claims. Examples of such impairments include the failure of a
6 personal representative to have identified themselves in the past, (now cleared because
7 we have received notice of a court appointment or appropriate affidavit for a small
8 estate), or IRS liens which have now been released.¹
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10 For the claims covered by this tenth application, distributions to or on behalf of
11 claimants will be made as set out in Exhibits A-C to the Sarko Declaration. If the Court
12 approves this distribution, a gross distribution of \$28,679,139.39 will be made.
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14 A proposed order is attached authorizing the proposed distributions discussed in
15 this application.
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22 ¹ Calculations have now been concluded as well on pro per claimant Tom Lakosh's various
23 claims. This application sets out proposed distributions to Mr. Lakosh for all remaining
24 compensatory damages, and his share of punitive damages principal and interest that has been so
25 far distributed to other claimants. This will not be a final distribution to Mr. Lakosh, as he is still
entitled to receive a distribution (as are other claimants) when the \$71.8 million recently received
from Exxon together with reserved funds are later distributed.

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Respectfully submitted this 29th day of January 2010.

s/ David W. Oesting
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Certificate of Service

The undersigned certifies that on January 29, 2010 a true and correct copy of the foregoing LEAD COUNSEL'S 10th PUNITIVE DAMAGES 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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