

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 91-0986-CIV-GOLD/SIMONTON

ALLAPATTAH SERVICES, INC.,)
et al.,)
)
Plaintiffs,)
)
vs.)
)
EXXON CORPORATION,)
)
Defendant.)
_____)

**ORDER GRANTING PETITION FOR
AN INTERMEDIATE DISTRIBUTION OF ATTORNEYS' FEES [DE # 4035]**

THIS MATTER is before the Court on Stearns Weaver's Petition for an Intermediate Distribution of Attorneys' Fees [DE # 4035] and Stearns Weaver's Supplemental Filing in Support of Petition for an Intermediate Distribution of Attorneys' Fees [DE # 4070]. The Court conducted a hearing on August 17, 2007. No objections were presented. In addition, the Court has received the Special Master's Report Regarding Stearns Weaver's Petition for an Intermediate Distribution of Attorneys' Fees [DE # 4072], in which the Special Master states that he has reviewed Stearns Weaver's filings, the projections of the Settlement Fund, and the overall status of the Claims Administration Process, and has conferred with the Settlement Fund's financial advisors and the Claims Administrator.

By my Order on Petitions for an Award of Attorneys' Fees, Costs, and Reimbursable Expenses and for Incentive Awards to Named Plaintiffs, dated July 6, 2006 [DE # 2997], 454 F. Supp. 2d 1185, upon consideration of the petitions presented and arguments made by the five firms seeking an award of attorneys' fees for the work performed in this case,

I awarded 31 1/3% of the common fund created by the Settlement in this case to Class Counsel collectively, for a total attorneys' fee of \$325,380,997. Of this amount, I awarded Stearns Weaver a fee of \$247,289,557 and ordered that Stearns Weaver remain as the sole Class Counsel to continue the Claims Administration Process.

In order to provide an incentive to Stearns Weaver to expeditiously proceed with the Claims Administration Process, and to ensure that a sufficient reserve would remain to pay the anticipated cost of the Claims Administration Process, I ordered that one-half of Stearns Weaver's fee, or \$123,644,779, was to be paid then, as well as all of the fees due to the other firms who had provided services to the Class. I also ordered that Stearns Weaver would be permitted to file for an intermediate additional distribution of its remaining attorneys' fee when more than one-half of the total Class Members had received their distributions, provided that sufficient interest funds and reserves had been generated at that time to pay the remaining costs of the Claims Administration Process. I find that the conditions set forth in my Order have now been satisfied.

As of August 15, 2007, 59.0% of the approximately 11,678 claims have been paid or permanently resolved through withdrawal or dismissal, representing 65.7% of the total dollar value of all claims. This constitutes significant progress in excess of that required by my Order for an intermediate distribution of fees. Moreover, 70.1% of claims (78.9% by dollars) have been fully adjudicated, awaiting only administrative steps before payment can be effectuated. In addition, it is significant that 83.3% of all claims (85.2%) are either resolved or pending in motions for adjudication, and therefore are in a well-established pipeline towards resolution, with the vast majority expected to be paid, withdrawn, or dismissed within the next 3-6 months. These statistics reflect substantial progress in the

Claims Administration Process in the year that has elapsed since Stearns Weaver's initial payment of fees.¹

Moreover, I find that the intermediate distribution requested by Stearns Weaver can be effectuated without jeopardizing the ability of the Settlement Fund to satisfy its obligations. The Settlement Fund has been well invested in a favorable interest rate environment, and interest on the Settlement Fund has added more than \$60 million to sustain the costs of the claims process and to ensure that the 5% reserve held back from each claim can be paid in full at the end of the process. The Settlement Fund's financial advisors report that after payment of the intermediate distribution requested by Stearns Weaver and accounting for payment of all of the Fund's fixed and contingent obligations, current projections reflect that interest earned on the Settlement Fund will leave, at a minimum, a surplus of \$11.5 million to \$18.6 million (depending on the allocation of forfeitures).

Because this surplus will be generated even if the Fund's contingent obligations of almost \$72 million are paid, there is a substantial cushion ensuring sufficient funds will be available for the payment of the remaining claims. Moreover, this analysis assumes that all claims will be allowed at 100%, i.e., it assumes there will be no abandoned, disallowed, or discounted claims.


I also note the Special Master's conclusion that the intermediate attorneys' fee requested by Stearns Weaver will not have an adverse effect on the solvency of the Fund

¹In addition to the credit that Stearns Weaver deserves for its efforts in achieving this significant progress, I commend the diligence of the other participants in the process, including the Special Master, the Claims Administrator, States' Counsel, and the banking and accounting professionals who have been instrumental to date.

and his confirmation that the claims resolved and paid in the Claims Administration Process satisfy the threshold set forth by the Court. Accordingly, I find that Stearns Weaver is entitled to an intermediate distribution in the amount of one half of the remaining unpaid fees, or \$61,822,389. This distribution provides Stearns Weaver with compensation for the work already performed, while leaving a substantial incentive for the timely completion of the Claims Administration Process. It is hereby **ORDERED AND ADJUDGED** that:

1. Stearns Weaver's Petition is GRANTED. [DE # 4035].
2. The Court hereby approves an intermediate distribution of attorneys' fees to Stearns Weaver in the amount of \$61,822,389. The Court reserves determination of interest on these fees until a later time.
3. The Court hereby instructs JPMorgan Chase to initiate forthwith a wire transfer in the amount of \$61,822,389 to be drawn on the Settlement Fund's Custody Account and transferred to the Settlement Fund's Demand Deposit Account (DDA).
4. Upon confirmation that the \$61,822,389 has been transferred to the Settlement Fund's DDA, JPMorgan Chase is instructed to initiate a wire transfer to Stearns Weaver pursuant to the wire instructions provided by the firm.

DONE AND ORDERED in Chambers at Miami, Florida this 21 day of August, 2007.



THE HONORABLE ALAN S. GOLD
UNITED STATES DISTRICT JUDGE

Copies furnished to:
U.S. Magistrate Judge Andrea Simonton
Special Master Thomas E. Scott
All Counsel of Record