

May 8, 2014 BP News Update

To: BEL clients of Wilson Law Firm, PC
From: Charles Wilson, Jr.
Re: The “matching” policy has been approved by the District Court

As you will recall, my firm’s last update advised that the Claims Administrator proposed a “matching” policy that was being contested by the Plaintiff Steering Committee (PSC). On May 5, 2014, the District Court approved the Claims Administrator’s policy and, unfortunately, made no changes to it. I suspect that the PSC will appeal the District Court’s ruling, but I would be surprised if the Fifth Circuit Court of Appeals reversed that decision.

The good news is that the approval of the matching policy (identified as Policy 495) is a step towards Business Economic Loss (BEL) claims being paid again. However, the policy reduces the settlement amounts for almost all claimants, and those businesses that fall under construction, farming, and professional services stand to see the most drastic changes to their claims, such as causation (i.e., qualifying for a claim) being redone under a new method.

Over the past few days, we have revisited three of our construction claims in an effort to gauge the effects of Policy 495 to that industry. We used one seven-figure claim, one six-figure claim, and one five-figure claim in order to have some diversity within that industry. The net results are as follows for these construction claimants:

<u>Claimant</u>	<u>Initial calculation under old rules</u>	<u>Calculation under Policy 495</u>
Claim #1	\$1,900,000	\$1,700,000
Claim #2	\$298,000	\$227,000
Claim #3	\$45,000	\$30,000

As you can see, the loss amounts decreased between 10% - 33% for these claimants. While we expect most claimants to experience decreases within this range, it is possible that a claimant can experience a significantly higher reduction.

The payment of BEL claims remains on hold pending the decision of the Fifth Circuit Court of Appeals on BP’s request for rehearing *en banc* of the two most recent appeal decisions that favored claimants. Hopefully, the Fifth Circuit will deny BP’s request within the next few weeks.

We may contact you in the coming months for additional information that is required under Policy 495. In the meantime, please do not hesitate to contact me with any questions. My contact information is as follows:

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or

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Or you may call us at

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