

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

SETTLEMENT FACILITY MATTERS,

Dow Corning Corporation,

Reorganized Debtor.

CASE NO. 00-0005

HONORABLE DENISE PAGE HOOD

AGREED STIPULATION OF FACTS

The O'Quinn Law Firm and O'Quinn & Laminack (collectively "O'Quinn") and the Settlement Facility-Dow Corning Trust Claims Administrator (the "Claims Administrator"), in regards to this Court's Order to Show Cause dated April 5, 2007, have agreed to the stipulation of the facts set out below:

1. This Court has defined for clients expenses as "things your attorney has paid out of his/her pocket on your behalf to further your claim" in the Court Approved Questions and Answers, Attorneys Fees and Expenses, Question 5.
2. O'Quinn borrowed from banks funds necessary to pay litigation expenses on behalf of the O'Quinn clients¹ in this matter.
3. O'Quinn did not charge, or pass on to, clients any of the interest charged by banks for money O'Quinn borrowed to pay litigation expenses. While clients' settlement sheets showed the interest incurred on the money borrowed for expenses of litigation, that interest was never charged to the client. The settlement sheets reflected the interest incurred (but not charged) primarily because the settlement sheets were used by O'Quinn as internal control documents to

¹ O'Quinn's clients refer to those clients making claims in this matter.

track all expenses, regardless of whether those expenses were charged to the client. The settlement sheets show that clients did not pay interest on money borrowed for expenses of litigation.

4. O'Quinn occasionally advanced money to certain clients for medical or living expenses. The advances were not expenses of litigation, for the prosecution of the case, or for the purpose of handling a claimant's case.

5. The funds for advances were borrowed from a bank by O'Quinn and O'Quinn passed along to those clients only the interest charged by the bank for those advances for medical or living expenses.

6. O'Quinn is a Texas law firm and its lawyers were licensed to practice law in the State of Texas at all relevant times.

7. The Texas Disciplinary Rules of Professional Conduct govern the conduct of lawyers licensed to practice law in the State of Texas.

8. The Texas Disciplinary Rules of Professional Conduct allow a lawyer to advance to a client "reasonably necessary medical and living expenses, the repayment of which may be contingent on the outcome of the matter."

9. O'Quinn made advances for reasonably necessary medical and living expenses, including for mortgage payments, utility bills, medications and legal bills unrelated to this case.

10. The advances for medical or living expenses for which O'Quinn subsequently passed along interest charges to clients were not things O'Quinn had paid out of pocket on the client's behalf to further the client's claim. When advances were made for medical treatment by O'Quinn, the medical treatment was not for the purpose of furthering the client's case.

11. It was O'Quinn's practice to make advances for medical or living expenses only after the client had agreed in writing that O'Quinn would have to borrow such money from its bank and the client would repay the amount borrowed plus that interest the bank had charged.

12. O'Quinn made direct advances to the client only if a provider would not accept a letter of protection from O'Quinn.

13. To confirm that charging interest on advances for medical and living expenses was acceptable under the Court's Order, in November 2005, Rick Laminack of the O'Quinn Firm discussed this very issue with Ernie Hornsby, one of the members of the Plaintiffs' Committee in the Dow Bankruptcy.

14. Mr. Hornsby confirmed to Mr. Laminack his belief that a client may be charged interest on advances if the money was not for litigation expenses and the client had signed an agreement that they would pay interest on any advance, which was consistent with the practice of O'Quinn.

15. O'Quinn's understanding was subsequently confirmed by Mr. David Austern, Claims Administrator of the Settlement Facility Dow Corning Trust.

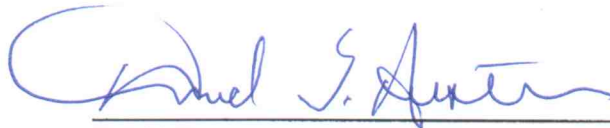
16. In January 2007, Mr. Austern asked for an explanation of O'Quinn's policy regarding expenses, advances and interest as related to the distribution of Dow settlement proceeds.

17. In response, on January 30, 2007, Mr. Laminack sent Mr. Austern a letter explaining that Quinn does not charge the clients interest on expenses, and O'Quinn only passed along charges for interest it had been charged by the bank for money advanced or loaned to the client for reasonably necessary medical or living expenses that are not litigation expenses.

18. Mr. Austern responded in writing to Mr. Laminack to the effect that he believed charging interest on advances for which O'Quinn paid interest did not violate the Court's Order.

19. Mr. Austern further indicated to Mr. Laminack his belief that, if the Order were interpreted to prohibit interest on advances, then the Order should be amended to permit such interest charges.

AGREED AND ENTERED INTO, on this 27th day of October, 2009.



David T. Austern
Claims Administrator
Settlement Facility – Dow Corning Trust
3100 Main Street, Suite 700
Houston, TX 77002
Telephone No. (703) 205-0835
Telecopier No. (703) 205-6249
E-Mail: daustern@claimsres.com



Billy Shepherd
Texas Bar No. 18219700
Sam W. Cruse, Jr.
Texas Bar No. 05191000
John D. Vogel
Texas Bar No. 20601300
CRUSE, SCOTT, HENDERSON & ALLEN, L.L.P.
2777 Allen Parkway, 7th Floor
Houston, Texas 77019
Telephone No. (713) 650-6600
Telecopier No. (713) 650-1720
E-Mail: bshepherd@crusescott.com
scruse@crusescott.com
jvogel@crusescott.com

Robert H. Martin
Michigan Bar No. 17157
PLUNKETT & COONEY, P.C.
38505 Woodward Avenue, Suite 2000
Bloomfield Hills, Michigan 48304
Telephone No. (248) 901-4000
Telecopier No. (248) 901-4040
E-Mail: rmartin@plunkettcooney.com

**ATTORNEYS FOR THE O'QUINN LAW FIRM AND
O'QUINN & LAMINACK**

ORDER

IT IS SO ORDERED.

United States District Judge

Dated _____

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of October, 2009, a true and correct copy of the foregoing instrument was forwarded via notice of electronic filing and/or via telecopier and/or U.S. Mail to all parties in interest.
