

FILED
MAY 04 2007
CLERK'S OFFICE
DETROIT

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

RECEIVED
MAY 04 2007
DENISE PAGE HOOD
U.S. DISTRICT JUDGE

IN RE SETTLEMENT FACILITY MATTERS,

CASE NO. 00-X-0005

Dow Corning Corporation,

HONORABLE DENISE PAGE HOOD

Reorganized Debtor.

RESPONSE OF THE CLAIMS ADMINISTRATOR TO
ORDER TO SHOW CAUSE

I. Introduction

1. This is the Response of the Settlement Facility -- Dow Corning Trust ("SF-DCT") Claims Administrator to this Court's April 5, 2007 Order to Show Cause (Docket No. 508) (the "Order").

2. The Order (Exhibit A to this Response) directed the O'Quinn Law Firm and O'Quinn & Laminack (hereinafter, "the Law Firm") to respond in writing to the Order by April 20, 2007. The Order further instructed the Claims Administrator to respond to any filing by the Law Firm by May 4, 2007.¹

3. On October 6, 2005, this Court entered An Agreed Order Adopting Additional Q&A Pursuant To Article IX of Annex A, The Claims Resolution Procedures [of the Settlement

¹ The Order to Show Cause is silent with respect to the Law Firm's and the Claims Administrator's obligations to serve on other parties copies of their respective filings. The Order directed the Claims Administrator to serve a copy of the Order on the Law Firm, the clients of the Law Firm, the Reorganized Debtor, the Claimants' Advisory Committee and the Finance Committee. The Law Firm served its response on the Reorganized Debtor (through counsel), two of the three members of the Claimants' Advisory Committee, and approximately 45 other parties, some of whom appear to be attorneys for the Law Firm's clients. The Claims Administrator is serving a copy of this response on the Law Firm, the Reorganized Debtor, the members of the Claimants' Advisory Committee, and the members of the Finance Committee. The Claims Administrator is also notifying all of the Law Firm's clients who responded to the Claims Administrator's letter to them (see Paragraph 9 of this Response) and will ask them to call the SF-DCT Claimants Assistance Program Toll-free Number if they wish to receive a copy of this Response.

Facility and Fund Distribution Agreement of the Plan of Reorganization of the Dow Corning Corporation] (Exhibit B to this response) (the "2005 Order").

4. The questions and answers that were approved in the 2005 Order are as follows:

"Q12. Can a law firm charge interest on expenses the firm advanced or for a loan the firm took out to handle a claimant's case?

A12. No. Interest on either a loan or on expenses advanced are not chargeable to the claimant.

Q13. Can a law firm charge each client it represents a percentage of expenses it incurred on behalf of all clients?

A13. No. The allowable expenses must be related to the client's individual case as set forth in Q11-4 in the Claimant Information Guide.

Q14. Can a law firm charge the client for expenses incurred in attending meetings or seminars on breast implant issues?

A14. No."

II. The Law Firm Response To The Order

5. On April 20, 2007, the Law Firm filed its response to the Order. While the response speaks for itself, in summary, it is the position of the Law Firm that it did not charge interest on money borrowed from any lending institution (in this case, typically the Bank of America or Compass Bank) to pay clients' expenses associated with the litigation of the case and the interest accrued for the payment of these expenses, even though Settlement Sheets sent to the clients reflected that a portion of the fees collected by the Law Firm included such interest. The interest, the Law Firm states in its response, was for internal accounting purposes only. (See the Law Firm response, Paragraphs 4-10.)

6. Additionally, the Law Firm stated in its response that it charged interest to its clients only where the Law Firm made advances to the clients for medical or living expenses under circumstances where the expenses were not litigation expenses. In addition, the Law Firm

states that it confirmed with the Claimants' Advisory Committee that charging such interest did not violate Exhibit B to this response, the 2005 Order.² Stated differently, the Law Firm has stated that it did not charge interest for funds advanced to clients when such advances were for litigation expenses. It is the position of the Law Firm that the 2005 Order did not apply to interest charges on client advances for living and medical expenses.

7. In support of the Law Firm's position, attached to the Law Firm's response were four exhibits, including an illustrative Settlement Sheet.

III. The Claims Administrator's Response

8. Pursuant to the Order, on April 11, 2007, the Claims Administrator addressed a letter to over 1,000 of the Law Firm's clients on whose behalf the Law Firm has filed SF-DCT claims, and enclosed a copy of the Order. The claimants were invited to bring to the attention of the Claims Administrator no later than April 30, 2007 "... any evidence concerning interest charged by O'Quinn & Laminack or The O'Quinn Law Firm with respect to funds disbursed by the law firms in connection with clients' SF-DCT claims." As of April 30, 2007, the Claims Administrator received 105 responses to the letter.

9. Of the responses noted in the previous paragraph,

(a) Eight responses were from claimants whose SF-DCT claims had not been settled and thus there was no relevant information;

² Rule 1.8(e) of the American Bar Association Model Rules of Professional Conduct prohibits lawyers from providing financial assistance to a client in connection with pending or contemplated litigation, except that a lawyer may advance court costs and expenses of litigation and a lawyer representing an indigent client also may pay court costs and expenses of litigation on behalf of the client under circumstances where, because the client is indigent, it is contemplated that the client will not be responsible for such costs barring a successful outcome of the litigation and the payment of at least some funds to the client. However, a number of states, including Texas, where the Law Firm is located, permit law firms to advance funds to a client where such funds are "reasonably necessary medical and living expenses, the repayment of which may be contingent on the outcome of the matter." Texas Disciplinary Rules of Conduct, 1.08(d).

(b) Almost twenty responses were from claimants who received either Expedited Release Payments or Explant payments for which, pursuant to Annex A of the Dow Corning Plan of Reorganization, attorneys' fees may not be collected³ and typically, these claimants did not enclose Settlement Sheets or other pertinent information.

(c) Three claimants objected to the Settlement Sheets and distributions therein of the Law Firm settlement with respect to breast implant litigation and not SF-DCT settlements.

(d) Over a dozen claimants were unresponsive to the Claims Administrator letter, including (i) claimants who objected to distributions of SF-DCT awards from lawyers other than the Law Firm, (ii) claimants who objected either to the amount of the SF-DCT award or the fact that the SF-DCT did not pay attorney's fees and other expenses, and (iii) claimants who objected to interest charges imposed by credit card companies and banks.

(e) Four claimants did not object to the Law Firm's conduct and, conversely, praised the conduct of the Law Firm and the effectiveness of its representation;

10. After an examination of the over 50 Law Firm Settlement Sheets that were sent to the SF-DCT Claims Administrator by Law Firm clients, I wish to report to the Court, as follows: First, while the Settlement Sheets I have examined are not a model of clarity and understandably have been confusing to some Law Firm clients, I found no instance where the Law Firm charged interest on funds that the Settlement Sheets reflected had been advanced for litigation expenses. For instance, attached to this Response as Exhibit C is a Settlement Sheet of one Law Firm client. The name of the client has been redacted. As reflected on the top of the "Internal" (quotes in the original) Settlement Sheet, the SF-DCT payment was for a Rupture

³ Article IX, Annex A To Settlement Facility and Fund Distribution Agreement, Dow Corning Settlement Program and Claims Resolution Procedures.

claim (\$20,000). The permissible fee⁴ is described at the top of the Settlement Sheet (“10% on 1st 10,000 / 22.5 % on 2nd 10,000”). As reflected on the Settlement Sheet, the Law Firm deducted \$2,086.45 for expenses from the \$20,000 payment, leaving a net settlement amount of \$17,913.55. There then appear a number of calculations and deductions, including “Compass Bank (interest)”. However, the total fee is \$3,250.00, which is the permissible fee pursuant to Annex A, Article IX. The Law Firm then subtracted, as reflected on the Settlement Sheet, the fee from the net settlement, and ultimately disbursed \$14,663.55 to the client.⁵

11. Unfortunately, in addition to the “Compass Bank (interest)” noted above, the Settlement Sheet also appears to reflect that the Law Firm charged the client \$3,586.27 for “Bank of America (prin/int)” when in fact, no such charge was deducted from the client’s payment. In summary, regardless of what the Settlement Sheet reflects, the client received the appropriate amount pursuant to the limitations on attorneys’ fees rules of the Dow Coming Plan of Reorganization.

12. Similarly, in Exhibit D attached to this Response, a slightly more complicated Settlement Sheet, the SF-DCT awarded a Rupture payment (\$20,000.00) to the client, the Law Firm deducted expenses (\$2,224.27), then reduced the award to the client by the permissible fee (\$3,250.00), and (according to the Settlement Sheet), disbursed the balance (\$14,525.73) to the client. On this Settlement Sheet, one has to disregard (or not calculate) many other entries when determining the amount disbursed to the client.

13. As noted above, in its response to the Order, the Law Firm acknowledges that it was the Law Firm practice to charge interest on advances made to a client for medical or living

⁴ See Annex A, Article IX To Settlement Facility and Fund Distribution Agreement.

⁵ On this Exhibit and all other Settlement Sheet exhibits, I have written the name “Client” on the Settlement Sheet. The name of the client has been redacted.

expenses if those advances were not expenses for litigation. Attached to this response as Exhibit E are the Settlement Sheets for a Law Firm client for whom, according to the Settlement Sheets, the Law Firm made numerous advances. It is difficult to calculate how these advances were entered and calculated. For instance, on the first page of Exhibit E, the Settlement Sheet for the client's Explant Payment (\$5,000), under "ADVANCES:" \$38,929.45 reflects the "TOTAL ADVANCES DUE." As noted below, on Page 1 of the Settlement Sheet the client received no payment because the advances and interest totaled substantially more than what was due the client. In that instance, the Law Firm collected no fee.

14. On the next page of Exhibit E there is a list of the advances and a total of the interest charged for the advances, respectively, \$16,711.11 and \$15,743.34. (This total, \$32,454.45, is less than the total advances noted on the first page of Exhibit E.) The third page of Exhibit E, which reflects a \$20,000 Disease payment SF-DCT award to the same client, the Law Firm lists total advances and interest to the same client in the amount of \$19,839.81, the "Write-Off" of certain other interest charges on advances made to the client, and litigation expenses in the amount of \$625.00. Thus, this client, who had received no disbursement from the Explant payment, also received no disbursements from the Disease payment. (It appears the Law Firm collected no fee for this payment, as well.)

15. The fourth page of Exhibit E is the Settlement Sheet for the same client's \$20,000.00 Rupture payment. Once again, substantial reductions are reflected on the Settlement Sheet for principal and interest for advances to the client, as is an amount withheld by the SF-DCT based on a lien filed with the SF-DCT by Compass Bank ("DR WORTHING LIEN WITHHELD BY DOW"). Once again, because of the deductions for advances and

interest on advances charged to the client, the client received no disbursement from the Rupture Payment.

16. When the total advances, interest on advances and litigation expenses are deducted from the \$45,000.00 for the three awards made by the SF-DCT to this client, the client received nothing.⁶

17. Attached to this Response as Exhibit F is the "Interest Calculation Program for:" a client whose name has been redacted. (This is not the "Program" for any of the clients described above.) This Exhibit reflects the names of the payees, a description of the "Advance", the amount of the advance, and the interest charged. I have attempted to copy this Exhibit to make it as clear as possible, but some of the "Interest" numbers are difficult to read. Therefore, in the following order, these are the interest numbers:

\$273.21
 3,350.62
 481.37
 53.49
 3,494.95
 2,516.69
 1,705.28
 551.07
 (559.69)
 210.47
 343.41
 (336.82)
\$12,083.95

I have attempted to calculate the interest rate for these advances based on the amount of the advance, the interest charged, and the outstanding period of the advance. It appears that some advances were subject to higher interest rates than others.

⁶ While it is difficult to follow the bookkeeping trail for the three settlements, it appears that the Law Firm's total fee for these three settlements was \$195.17.

18. Irrespective of interest charged to Law Firm clients for advances not associated with litigation expenses, there is a factual dispute between the Law Firm and certain clients. Two Law Firm clients have told me that interest charges that appear on their "Interest Calculation Program" on Law Firm Settlement Sheets were in fact interest charges on expenses associated with the litigation of their case. That is, the clients dispute the Law Firm assertion that such advances were for living or medical treatment expenses.

19. In summary, I have found no Law Firm Settlement Sheet where the Law Firm charged a client interest on litigation expenses incurred on behalf of the client, and I have found a number of Settlement Sheets where the Law Firm charged a client interest on advances not associated with the litigation – according to the Law Firm but disputed by some clients. In addition, while not mandated by the Order, while examining the Settlement Sheets, I found no instance where the Law Firm charged a fee greater than what is permitted by Article IX of Annex A.

IV. Other Issues

20. I have not consulted with the other members of the Finance Committee, the Debtor's Representatives, or the members of the Claimants' Advisory Committee, but if the Court believes that a hearing is necessary to resolve the factual disputes between the Law Firm and certain clients as to whether some client advances were for litigation purposes or were advances for living expenses or medical treatment, I would encourage the Court to assign this matter to an arbitrator located in Houston, Texas in order to minimize the expenses of resolving this matter for the clients, the Law Firm, and the SF-DCT.

21. There is pending before an Arbitration Panel in Houston, Texas, an arbitration captioned *Martha Wood, et al, Plaintiffs, v. John M. O'Quinn, PC d/b/a O'Quinn & Laminack,*

et al., Defendants (the "Arbitration"). The Arbitration notice begins as follows: "If You Are a Woman Who Was Represented in Breast Implant Litigation by John M. O'Quinn, P.C., John M. O'Quinn & Associates, John M. O'Quinn & Associates, L.L.P., John M. O'Quinn Law firm, P.L.L.C., and/or O'Quinn & Laminack, this Class Action Lawsuit May Affect Your Rights." After stating that the notice was authorized by the Arbitration Panel, the notice goes on to state:

• Former breast implant clients whose claims were settled prior to trial have sued John M. O'Quinn, P.C., John M. O'Quinn & Associates, John M. O'Quinn & Associates, L.L.P., John M. O'Quinn Law Firm, P.L.L.C., and O'Quinn & Laminack (collectively "O'Quinn") alleging that O'Quinn made improper BI General Expense deductions from the funds that were paid to them in connection with the settlement of their cases and/or miscalculated certain of those deductions.

• The Majority of the Arbitration Panel has allowed the lawsuit to proceed as a class action on behalf of *all* breast implant clients who signed a Power of Attorney and Contingent Fee Contract ("Fee Agreement") with O'Quinn that contains an arbitration provision (excluding those clients whose Fee Agreement contains an express provision waiving the right to participate in a class action), and who signed a settlement sheet that contains a deduction for BI General Expenses."

Counsel for the Class has told me that testimony in this matter has been concluded, the case has been briefed and argued, and the parties are awaiting the Panel decision. Although I do not know whether the Arbitration and the Order are intertwined, in an abundance of caution I asked counsel for the Class to seek the permission of the Panel to release to me a transcript of the hearing so I could determine whether the Arbitration and the Order are connected.⁸ Class counsel is requesting a copy of the transcript. This Court may wish to consider continuing this matter until I have had the opportunity to review the transcript.

V. Conclusion

22. While the prohibition against an attorney charging interest in the 2005 Order appears to make no distinction between interest on advances for litigation and interest on

⁸ The Claimants' Advisory Committee has made the same request.

advances for client living expenses, I believe there will have to be a determination as to whether such a distinction was intended. If such a distinction was not intended, the Court may wish to hear argument as to whether there should be such a distinction. In addition, I believe there may have to be a hearing (as suggested above) to resolve the question of whether certain Law Firm advances for client living expenses or medical treatment were in fact expenses associated with the litigation on behalf of the client.

23. The Claims Administrator would be happy to undertake any further investigation with respect to this matter.

Respectfully submitted,



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

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of May, 2007, a true and correct copy of the foregoing **Response of the Claims Administrator To Order To Show Cause** was sent, by overnight **Federal Express**, to:

Dana A. Morris, Esq.
2300 Lyric Centre Building
440 Louisiana
Houston, TX 77002

Rick Laminack, Esq.
440 Louisiana
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Houston, TX 77002

Billy Sheperd, Esq.
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Hon. Frank Andrews
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Hunt, TX 78024

Robert H. Martin, Esq.
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David T. Austern

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

IN RE SETTLEMENT FACILITY MATTERS,

CASE NO. 00-X-0005

Dow Corning Corporation,

HONORABLE DENISE PAGE HOOD

Reorganized Debtor.

INDEX OF EXHIBITS

- EXHIBIT A** - Order To Show Cause
- EXHIBIT B** - October 6, 2005 Agreed Order
- EXHIBIT C** - Internal Settlement Sheet
- EXHIBIT D** - Internal Settlement Sheet
- EXHIBIT E** - Internal Settlement Sheet
- EXHIBIT F** - Interest Calculation Program

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E-Mail: daustern@claimsres.com

Ex A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Filed: 4/5/2007
U.S. District Court
East Dist. of MI Detroit

IN RE SETTLEMENT FACILITY MATTERS,

Case No. 00-X-00005

Dow Corning Corporation,

HONORABLE DENISE PAGE HOOD

Reorganized Debtor.

ORDER TO SHOW CAUSE

This matter came before the Court on a report from the Claims Administrator, Settlement Facility –Dow Corning Trust (the “SF-DCT”) that The O’Quinn Law Firm and a predecessor firm, O’Quinn & Laminack (the “law firms”) are and have been charging interest to the law firms’ clients as part of funds disbursed by the law firms as the result of settlements with the SF-DCT.

On October 6, 2005, this Court entered an Agreed Order Adopting Additional Q&A Pursuant To Article IX of Annex A, The Claims Resolution Procedures (the “Order”) (Docket No. 231). The Order clarified the extent to which allowable attorney’s fees and expenses could be charged by the law firms as part of SF-DCT settlements, and presented the clarification in Exhibit 1 to the Order in a question-and-answer format, as follows:

Q12. Can a law firm charge interest on expenses the firm advanced or for a loan the firm took out to handle a claimant’s case?

A8. No. Interest on either a loan or on expenses advanced are not chargeable to the claimant.

Q13. Can a law firm charge each client it represents a percentage of expenses it incurred on behalf of all clients?

A13. No. The allowable expenses must be related to the client’s individual case as set forth in Q11-4 in the Claimant Information Guide.

Q14. Can a law firm charge the client for expenses incurred in attending meetings or seminars on breast implant issues?

A14. No.

(October 6, 1005 Order, Docket No. 231)

The Claims Administrator of the SF-DCT has reported to this Court that clients of the law firms have complained to the Claimants Assistance Program ("CAP") at the SF-DCT that the law firms are insisting that, as a condition precedent to payments to the clients, that such clients agree to reimburse the law firms out of the proceeds of SF-DCT settlements for interest charged on funds disbursed by the law firms on behalf of the clients.

Based on the foregoing, accordingly,

1. IT IS ORDERED that Counsel for the law firms noted above must Show Cause, *in writing*, by **April 20, 2007**, why the law firms should not be held in contempt for violating the terms of the Amended Joint Plan of Reorganization, as more specifically noted above. The Claims Administrator of the SF-DCT shall have until **May 4, 2007** to respond to any filings by the law firms. If after review of the submissions it is determined a hearing is required, the parties will be notified of the date, time and place of the hearing.

2. IT IS FURTHER ORDERED that the Claims Administrator shall serve a copy of this Order to the law firms noted above, the clients of the law firms who are affected by this matter, the Reorganized Debtor, the Claimants' Advisory Committee, and the Finance Committee.

/s/ Denise Page Hood
DENISE PAGE HOOD
United States District Judge

DATED: April 5, 2007

Ex B

F I L E D
OCT 06 2005
CLERK'S OFFICE
DETROIT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE:
DOW CORNING CORPORATION
REORGANIZED DEBTOR.

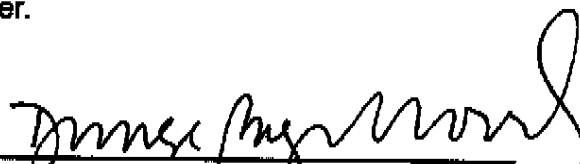
§
§
§
§
§

CASE NO. 00-CV-00005-DT
(Settlement Facility Matters)
Hon. Denise Page Hood


**AGREED ORDER ADOPTING ADDITIONAL Q&A PURSUANT TO
ARTICLE IX OF ANNEX A, THE CLAIMS RESOLUTION PROCEDURES**

On July 22, 2004 and May 23, 2005, the Court entered Orders adopting Questions & Answers ("Q&A's") on allowable attorney's fees and expenses in the Settlement Option pursuant to Article IX of Annex A, the Claims Resolution Procedures. The Court, having consulted with the Claimants' Advisory Committee and Debtor's Representatives about additional clarifying Q&A's on allowable attorney's fees and expenses, hereby adopts the Q&A's as provided in Exhibit 1 attached to this Agreed Order.

Date: OCT 06 2005


DENISE PAGE HOOD
United States District Judge

AGREED TO BY:
FOR DOW CORNING CORPORATION


Deborah E. Greenspan, Esq.
The Feinberg Group, LLP
1120 20th Street, N.W.
Suite 740 South
Washington, DC 20036
Tel: 202-962-9283
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FOR THE CLAIMANTS' ADVISORY
COMMITTEE



Dianna Pendleton-Dominguez, Esq.
401 N. Main Street
St. Marys, OH 45885
Tel: 419-394-0717 or 281-703-0998
Fax: 419-394-1748
E-Mail: dpend440@aol.com

EXHIBIT 1 TO AGREED ORDER

Q12. Can a law firm charge interest on expenses the firm advanced or for a loan the firm took out to handle a claimant's case?

A8. No. Interest on either a loan or on expenses advanced are not chargeable to the claimant.

Q13. Can a law firm charge each client it represents a percentage of expenses it incurred on behalf of all clients?

A13. No. The allowable expenses must be related to the client's individual case as set forth in Q11-4 in the Claimant Information Guide.

Q14. Can a law firm charge the client for expenses incurred in attending meetings or seminars on breast implant issues?

A14. No.

Ex C

JOHN M. O'QUINN & ASSOCIATES, L.L.P.

"INTERNAL"
SETTLEMENT SHEET

MAIL

CLIENT:		DATE:	May 26, 2006
DEFENDANT:	Dow Krupture Fund	CASE#:	91063-1067
FEE:	10% on 1st 10,000 / 22.5% on 2nd 10,000	ATTORNEY:	Dana Morris

TOTAL SETTLEMENT: \$ 20,000.00

EXPENSES:	Bank of America (principal)	2,039.70	
	Grossman & Waldman	0.00	
	JMO & Assoc., L.L.P. (equitrac)	46.75	\$ 2,086.45

NET SETTLEMENT: \$ 17,913.55

FEE:	Compass Bank (interest)	1,546.57	
	Grossman & Waldman	851.72	
	JMO & Assoc., L.L.P.	851.71	\$ 3,250.00

ADVANCES:	Compass Bank (principal)	0.00	
	Compass Bank (interest)	0.00	\$ -

AMOUNT DUE CLIENT: \$ 14,663.55

DISBURSEMENTS

CHECK	DATE PAID	DESCRIPTION	AMOUNT
		John M. O'Quinn & Associates, L.L.P.	\$ 898.46
		Grossman & Waldman	851.72
		Bank of America (prin/int)	3,586.27
		Compass Bank (prin/int)	0.00
		<i>Client</i>	14,663.55
TOTAL DISBURSEMENTS:			\$ 20,000.00

I have personally reviewed this settlement sheet, and the proposed disbursements are correct. I certify the sum of \$ 20,000.00 was received and deposited into the John M. O'Quinn & Associates, L.L.P. Client Trust Account. The total amount of all checks issued from the Client Trust Account does not exceed this sum.

By: _____

Ex D

JOHN M. O'QUINN & ASSOCIATES, L.L.P.

**"INTERNAL"
SETTLEMENT SHEET**

MAIL

CLIENT:		DATE:	February 06, 2006
DEFENDANT:	Dow Rupture Fund	CASE#:	94087
FEE:	10% on 1st 10,000 / 22.5% on 2nd 10,000	ATTORNEY:	Richard Laminack

TOTAL SETTLEMENT: \$ 20,000.00

EXPENSES:	Bank of America (principal)	2,206.17	
	JMO & Assoc., L.L.P. (equitrac)	18.10	
			<u>\$ 2,224.27</u>

NET SETTLEMENT: \$ 17,775.73

FEES:	Bank of America (interest)	1,627.61	
	Scott Burdine	540.80	
	JMO & Assoc., L.L.P.	1,081.59	
			<u>\$ 3,250.00</u>

ADVANCES:	JMO & Assoc., L.L.P.	<u>0.00</u>	<u>0.00</u>
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AMOUNT DUE CLIENT: \$ 14,525.73

DISBURSEMENTS

<u>CHECK</u>	<u>DATE PAID</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
		John M. O'Quinn & Associates, L.L.P.	\$ 1,099.69 (hold)
		Scott Burdine	540.80
		Bank of America (prin/int)	3,833.78
		<i>Client</i>	<u>14,525.73</u>
		TOTAL DISBURSEMENTS:	<u>\$ 20,000.00</u>

I have personally reviewed this settlement sheet, and the proposed disbursements are correct. I certify the sum of \$ 20,000.00 was received and deposited into the John M. O'Quinn & Associates, L.L.P. Client Trust Account. The total amount of all checks issued from the Client Trust Account does not exceed this sum.

By: _____

EX E

check action

**"INTERNAL"
SETTLEMENT SHEET**

MAIL

CLIENT:
DEFENDANT: Dow Explant Fund
FEE: No Fee For Court Order

DATE: January 04, 2007
CASE#: 91063-626
ATTORNEY: Dana Morris

TOTAL SETTLEMENT: \$ 5,000.00

EXPENSES:		Total Expenses	Collect
	Bank of America (principal)	3,874.03	652.96
	JMO & Assoc., L.L.P. (equitrac)	35.17	0.00
	TOTAL EXPENSES DUE	3,909.20	652.96 *

EXPENSES COLLECTED FROM THIS SETTLEMENT \$ 652.96

* Balance of litigation expenses will be collected from future settlement payments. See attached detail report for expenses incurred to date. There will be additional expenses incurred in the future.

NET SETTLEMENT: \$ 4,347.04

FEES:		Total Fees	Collect
	Bank of America (interest)	3,410.19	0.00
	JMO & Assoc., L.L.P.	0.00	0.00 *

* **FEES COLLECTED FROM THIS SETTLEMENT** 0.00

ADVANCES:		Total Advances	Collect
	Dr. L. Fabian Worthing	5,850.00	0.00
	Quantum MRI/West Loop MRI	625.00	0.00
	Compass Bank (principle)	16,711.11	4,347.04
	Compass Bank (interest)	15,743.34	0.00
	TOTAL ADVANCES DUE	38,929.45	4,347.04 *

ADVANCES COLLECTED FROM THIS SETTLEMENT 4,347.04

* Balance of advances will be collected from future settlement payments. See attached detail report for advances incurred to date.

AMOUNT DUE CLIENT: \$

DISBURSEMENTS			
CHECK	DATE PAID	DESCRIPTION	AMOUNT
		John M. O'Quinn & Associates, L.L.P.	\$ -
		Bank of America (prin/int)	652.96
		Compass Bank (prin/int)	4,347.04
		<i>client</i>	0.00
TOTAL DISBURSEMENTS:			\$ 5,000.00

I have personally reviewed this settlement sheet, and the proposed disbursements are correct. I certify the sum of \$ 5,000.00 was received and deposited into the John M. O'Quinn & Associates, L.L.P. Client Trust Account. The total amount of all checks issued from the Client Trust Account does not exceed this sum.

By: _____

BOOKED
Interest Calculation Program for:

CaseID 91063-826
From: 01/04/2007 plus 40 days out. For New Advance Accounts

CaseID	GL Num	Payee	Description	Date	Amount	Interest
91063-826	134100	DR. ANDREW CAMPBELL	ADVANCE FOR MEDICAL TREAT	01/12/1993	\$2,727.00	
91063-826	134100	DR. ANDREW CAMPBELL	ADVANCE FOR MEDICAL TREAT	01/12/1993	\$125.00	
91063-826	134100	ANTIBODY ASSAY LABO	ADVANCE FOR MEDICAL TREAT	03/10/1993	\$240.00	
91063-826	134100	TOPS SURGICAL HOSPIT	ADVANCE FOR MEDICAL TREAT	04/01/1993	\$3,131.08	
91063-826	134100	RED OAK ANESTHESIA-R	ADVANCE FOR MEDICAL TREAT	04/18/1993	\$360.00	
91063-826	134100	DR. ANDREW CAMPBELL	ADVANCE FOR MEDICAL TREAT	06/09/1993	\$391.15	
91063-826	134100	MOCEGA ASKEW & ASS	ADVANCE FOR MEDICAL TREAT	06/09/1993	\$700.00	
91063-826	134100	DR. ROBERT LEWY	ADVANCE FOR MEDICAL TREAT	03/07/1994	\$1,065.00	
91063-826	134100	DR. ANDREW CAMPBELL	MEDICAL ADVANCE	04/13/1994	\$73.00	
91063-826	134100	THE METHODIST HOSPIT	ADVANCE FOR MEDICAL TREAT	09/07/1994	\$1,618.30	
91063-826	134100	DR. DAVID E. BURNS	ADVANCE FOR MEDICAL TREAT	08/28/1994	\$4,838.00	
91063-826	134100	THE METHODIST HOSPIT	ADVANCE FOR MEDICAL TREAT	10/04/1994	\$156.10	
91063-826	134100	THE METHODIST HOSPIT	ADVANCE FOR MEDICAL TREAT	10/11/1994	\$289.00	
91063-826	134100	DR. DAVID E. BURNS	ADVANCE FOR MEDICAL TREAT	10/19/1994	\$4,910.00	
91063-826	134100	DR. RUTH ATLAS	ADVANCE FOR MEDICAL TREAT	12/01/1994	\$250.00	
91063-826	134100	DAVID E. BURNS, M.D.	ADVANCES-POB TRUST	03/21/1995	(\$4,766.00)	

Chase Principal and Interest: \$16,711.11 \$15,743.34

Due Chase: \$32,464.45

Estimated Total Due:: \$32,464.45

*Note:
 For Explant Fund
 4,431.06
 Could on
 Collect 4,347.04*

"INTERNAL"
SETTLEMENT SHEET

MAIL

CLIENT:
 DEFENDANT: Dow Disease Fund
 FEE: 10% on 1st 10,000 / 22.5% on 2nd 40,000; 30% on the amount in excess of \$50,000

DATE: January 04, 2007
 CASE#: 91063-626
 ATTORNEY: Dana Morris

TOTAL SETTLEMENT: \$ 20,000.00

EXPENSES:	Bank of America (principal)	0.00	
	JMO & Assoc., L.L.P. (equitas)	0.00	\$ -

NET SETTLEMENT: \$ 20,000.00

FEES:	Bank of America (interest)	160.19	
	JMO & Assoc., L.L.P.	0.00	\$ 160.19

ADVANCES:	Quantum MRI/West Loop MRI	625.00	
	Compass Bank (principle)	4,720.31	
	Compass Bank (interest Write-Off)	(1,248.84)	
	Compass Bank (interest)	15,743.34	
			19,839.81

AMOUNT DUE CLIENT: \$ -

DISBURSEMENTS

CHECK	DATE PAID	DESCRIPTION	AMOUNT
		John M. O'Quinn & Associates, L.L.P. (write-off int on adv)	\$ (1,248.84)
		Bank of America (interest)	160.19
		Compass Bank (interest write-off) (General Check)	1,248.84
		Compass Bank (prin/int)	19,214.81
		Quantum MRI/West Loop MRI	625.00
		<i>Client</i>	0.00
TOTAL DISBURSEMENTS:			\$ 20,000.00

JOHN M. O'QUINN & ASSOCIATES, L.L.P.

**"INTERNAL"
SETTLEMENT SHEET**

MAIL

CLIENT:
DEFENDANT: Dow Rupture Fund
FEE: 10% on 1st 10,000 / 22.5% on 2nd 10,000

DATE: January 04, 2007
CASE#: 91063-626
ATTORNEY: Dana Morris

TOTAL SETTLEMENT: \$ 20,000.00
DR WORTHING LIEN WITHHELD BY DOW: (5,850.00)
TOTAL DISBURSED: 14,150.00

EXPENSES: Bank of America (principal) 3,221.07
JMO & Assoc., L.L.P. (equitrac) 35.17
\$ 3,256.24

NET SETTLEMENT: \$ 10,893.76

FEE:	Bank of America (interest)	Total Fees	Collect
	JMO & Assoc., L.L.P.	3,410.19	3,250.00
		0.00	0.00
		3,410.19	3,250.00 *
	* FEES COLLECTED FROM THIS SETTLEMENT		3,250.00

ADVANCES:	Quantum MRI/West Loop MRI	Total Advances	Collect
	Compass Bank (principle)	625.00	0.00
	Compass Bank (interest)	12,364.07	7,643.76
		15,743.34	0.00
		28,732.41	7,643.76
	* FEES COLLECTED FROM THIS SETTLEMENT		7,643.76

AMOUNT DUE CLIENT: \$

DISBURSEMENTS			
CHECK	DATE PAID	DESCRIPTION	AMOUNT
		John M. O'Quinn & Associates, L.L.P.	\$ 35.17
		Bank of America (prin/int)	6,471.07
		Compass Bank (prin/int)	7,643.76
		<i>Client</i>	0.00
TOTAL DISBURSEMENTS:			\$ 14,150.00

I have personally reviewed this settlement sheet, and the proposed disbursements are correct. I certify the sum of \$ 14,150.00 was received and deposited into the John M. O'Quinn & Associates, L.L.P. Client Trust Account. The total amount of all checks issued from the Client Trust Account does not exceed this sum.

By: _____

JOHN M. O'QUINN & ASSOCIATES, L.L.P.

SETTLEMENT SHEET

MAIL

CLIENT: _____
 DEFENDANT: **Dow Rupture Fund** DATE: **January 04, 2007**
 CASE#: **91063-626**

TOTAL SETTLEMENT: \$ 20,000.00
 DR. WORTHING LIEN WITHHELD BY DOW: (5,850.00)
 TOTAL DISBURSED: \$ 14,150.00

LESS EXPENSES: 3,256.24

SEE NOTE BELOW

LESS ATTORNEY FEES: 3,250.00

LESS CLIENT ADVANCES: 7,643.76

Balance of litigation expenses and advances will be collected from future settlement payments. See attached detail report for expenses and advances incurred to date. There will be additional expenses incurred in the future.

TOTAL AMOUNT DUE: \$ 0.00

CLIENT'S AGREEMENT

I affirm that I have no bankruptcy proceeding pending nor have I filed bankruptcy since the commencement of this litigation. I also affirm that neither the settlement proceeds, nor the amount I am receiving is subject to any attachment or claim by any bankruptcy court, any bankruptcy trustee, any secured creditor or the Internal Revenue Service. I also acknowledge that any unpaid medical bills are my sole responsibility and that John M. O'Quinn & Associates, L.L.P. is in no way responsible for same. John M. O'Quinn & Associates, L.L.P. has attempted to identify any lienholders against my settlement money and has determined what monies, if any, are due to those lienholders. In the event any lienholders raise claim subsequent to the distribution of the settlement money, satisfaction of those claims are to be paid by me.

Please be advised that you have five (5) days in which to rescind your approval of the manner in which John M. O'Quinn & Associates, L.L.P. is distributing these funds. We will hold all settlement funds in trust until such questions and/or concerns are resolved. During this five (5) day period, John M. O'Quinn & Associates, L.L.P., shall not be entitled to receive any fees.

Attorneys are not tax attorneys. Attorneys do not give advice as to the tax consequences of any recovery client may receive. Attorneys strongly recommend that clients consult with an accountant, CPA, tax attorney or other financial advisor to determine what, if any, taxes will be due on any recovery attorneys obtain for clients.

This information is provided for your careful review, consideration and ultimate approval. You have five (5) days in which to review the information, and raise any questions concerning the method and manner of distribution of funds. Questions should be directed to Dana Morris at 713/236-7626 or by fax to 713/223-4870. If we do not hear from you within the next five (5) days, we will assume that you are in agreement with the distribution as outlined above, however, we still must receive this form back signed and notarized in order to distribute the amount due to you.

Address _____

City _____ State _____ Zip _____

STATE OF _____)

COUNTY OF _____)

BEFORE ME, the undersigned notary public, on this the _____ day of _____, 20____
 Personally appeared **Stacy McKnight**, who, upon his/her oath, stated that the above and foregoing
 statement is true and correct.

 Notary Public in and for the
 State of _____

Ex F

Interest Calculation Program for:

Cobrin

From 12/13/2005 plus 40 days out For New Advance Accounts

CaseID	GL Num	Payee	Description	Date	Amount	Interest
91063-101	134100	THE METHODIST HOSPIT	MEDICAL ADVANCE/BRAIN SOA	05/06/1994	\$330.00	
91063-101	134100	DR. DAVID E. BURNS	MEDICAL ADVANCE	05/19/1994	\$4,058.00	
91063-101	134100	THE METHODIST HOSPIT	MEDICAL ADVANCE	05/19/1994	\$593.00	
91063-101	134100	DR. ADAM NAAMAN	MEDICAL ADVANCE	06/01/1994	\$65.00	
91063-101	134100	SPRING BRANCH MEDIC	ADVANCE FOR MEDICAL TREAT	07/07/1994	\$4,284.33	
91063-101	134100	DR. ADAM NAAMAN	ADVANCE FOR MEDICAL TREAT	07/07/1994	\$3,085.00	
91063-101	134100	PEDIATRIC PATHOLOGY	ADVANCE FOR MEDICAL TREAT	09/29/1994	\$2,134.00	
91063-101	134100	DR. DAVID E. BURNS	ADVANCE FOR MEDICAL TREAT	09/29/1994	\$689.98	
91063-101	134100	THE METHODIST HOSPIT	REFUND OF OVERPAYMENT	02/14/1995	(\$729.61)	
91063-101	134100	DR. DAVID E. BURNS	ADVANCE FOR MEDICAL TREAT	03/08/1995	\$276.41	
91063-101	134100	Rayoff/Ovendraft	ADVANCES-PQB TRUST	09/24/1995	\$453.20	
91063-101	134100	JOHN M. O'QUINN, P.C.	CLEAR CLIENT BALANCE 4/30	05/22/1995	(\$453.20)	
Chase Principal and Interest:					\$14,779.11	\$12,083.95

Due Chase: \$28,863.06

Estimated Total Due: \$28,863.06