

Financial Planners Give Advice To EVOS Plaintiffs

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Casey Kelly/KMXT

Many plaintiffs in the Exxon Valdez oil spill litigation were disappointed by the Supreme Court's recent decision reducing punitive damages to 507-point-5 million dollars, or one-tenth of the original jury award. But while the amount won't be what many were expecting or hoping for, financial planners say there's still a need to start thinking about what to do with the settlement money that should be coming in soon.

John Peterson is a financial advisor with Merrill Lynch in Anchorage. He was at a recent meeting with plaintiffs in Kodiak, urging them to think about the potential effects of the Exxon settlement on their pocketbooks.

(EVOS Planning 1 :21s "if you plan ahead.")

It's estimated that if the decision includes about 488-million dollars in interest that's accrued on the settlement over the years, then plaintiffs stand to split about 628-million dollars. That's after lawyers' fees and other deductions, including 107-million dollars that Exxon will get back because of a deal with a group of Seattle fish processors known as the Seattle Seven.

Before the Supreme Court's decision, financial planners were urging plaintiffs to set aside about 30 percent of their settlement for tax purposes. Peterson says he's still encouraging the people that he advises to do that, even with the reduced award.

(EVOS Planning 2 :10s "if planning well with it.")

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Pearson is a plaintiff in the case. She also works with the Oiled Regions of Alaska Foundation, which was set up to help people in the spill areas contribute some of their settlement money to charities. One benefit of that, besides the social one, is that it reduces plaintiffs' tax liability. Although she's disappointed in the Supreme Court's decision, Pearson says there's still an opportunity to give back for those who are willing.

(EVOS

Planning 3 :28s “…little
bit that we get back.”)

A number of

plaintiffs are still lobbying Congress to pass legislation sponsored by Alaska Senator Lisa Murkowski that would provide tax breaks and income averaging for those involved in the litigation.

Lawyers in the case say they're hopeful that it will be resolved before the end of the year. But there's still a possibility that Exxon may try to appeal a finding made by one of the lower courts when the case is remitted back to them.

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