qualified settlement fund AGREEMENT

**THIS QUALIFIED SETTLEMENT FUND** **AGREEMENT** (“***Agreement***”) is made and entered into as of [DATE] by and between [LAW FIRM] (“***[FIRM]***”) and The Garretson Resolution Group, Inc. d/b/a Garretson Resolution Group (the “***Administrator***”).

**WHEREAS**, [FIRM] and [DEFENDANT] entered into a Confidential Master Settlement Agreement dated [DATE] (“***MSA***”) to resolve the actions, disputes and claims of certain plaintiffs and claimants represented by [FIRM] against [DEFENDANT] relating to [INJURY/PRODUCT];

**WHEREAS**, pursuant to the terms of the MSA, and in exchange for a full and final release of claims, [DEFENDANT] agreed to deposit up to [AMOUNT] Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) into a qualified settlement fund established under Internal Revenue Code § 468B and Treasury Regulations § 1.468B-1 *et seq*., in full and final satisfaction of all Claims;

**WHEREAS**, on [DATE], the United States District Judge for the United States District Court for the [COURT] (“***Court***”), entered an Order Establishing Qualified Settlement Fund and Appointing Administrator [docket no. \_\_\_\_\_\_\_\_] (“***Order***”) in [LITIGATION], MDL \_\_\_\_;

WHEREAS, in the Order the Court approved the establishment of the [NAME] Qualified Settlement Fund (“***QSF***”) as a qualified settlement fund pursuant to Internal Revenue Code § 468B and Treasury Regulations § 1.468B-1 *et seq*., appointed the Administrator, and approved the creation of sub-accounts within the QSF for settlements between settling plaintiffs represented by [FIRM] (“***Claimants***”) and various defendants (each, a “***Settling Defendant***”); and

**WHEREAS**, [FIRM] desires the Administrator to serve, and the Administrator has agreed to serve, as the administrator for the QSF pursuant to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements contained herein, the Administrator and [FIRM] agree as follows:

## **Intent and Purpose of the QSF.** The QSF is being established pursuant to order of the Court to complete the settlement process established to resolve or satisfy one or more contested claims that have resulted or may result from an event (or a related series of events) that has occurred and that has given rise to at least one claim asserting liability arising out of a tort, breach of contract, or violation of law. The QSF is subject to the continuing jurisdiction of the Court and is intended to qualify as a “qualified settlement fund” as defined in *Treas. Reg.* § 1.468B-1(a). The purpose of the QSF includes, but is not necessarily limited to, (i) receiving, holding, and investing settlement funds received from each Settling Defendant pursuant to the terms of the relevant MSA; and (ii) distributing amounts in accordance with the MSA for those Claimants who qualify for such distributions out of the QSF.

## **Creation of Sub-Accounts**. It is the intention of the parties that this QSF shall be used for the resolution of tort claims against multiple Settling Defendants for [INJURY]. Following the execution of an MSA, a court order approving the creation of a sub-account, and the execution of a Sub-Account Addendum (in the form attached hereto as Exhibit 1), a new sub-account shall be created within the QSF for each settlement with a Settling Defendant (“***Sub-Account***”). The funds in each Sub-Account shall be segregated in the books and records of the Administrator, and the funds in each Sub-Account shall be dedicated solely to the fulfillment of the specific MSA for which it is established.

## **Incorporation and Primary of MSA and Sub-Account Addenda**. For each Sub-Account, the terms and conditions of the Sub-Account Addendum and MSA are incorporated into this Agreement in their entirety by reference, and each party hereto agrees to perform the duties and obligations of such party as set forth in the MSA. The MSA, the relevant Sub-Account Addendum, and this Agreement are referred to collectively herein as the “***Governing Documents***”. To the extent there is any inconsistency among the terms of the Governing Documents, the terms of the MSA shall control over the terms of the Sub-Account Addendum and this Agreement, and the terms of the Sub-Account Addendum shall control over the terms of this Agreement.

## **No Authority to Conduct Business.** The purpose of the QSF is limited to the matters set forth in Paragraph 1 hereof, and this Agreement shall not be construed to confer upon the Administrator or the Custodian any authority to carry on any business or activity for profit other than the holding, investment, and disbursement of each Deposit by the Custodian in accordance with the terms of the Governing Documents.

## **Administrator.**

### Appointment and Acceptance. [FIRM] hereby appoints the Administrator to serve, and the Administrator agrees to serve, as the administrator of the QSF, including without limitation, serving as the “administrator” within the meaning of *Treas. Reg*. § 1.468B-2(k)(3)). The Administrator shall have all the rights, powers, protections, duties, and obligations expressly provided herein, and shall administer the QSF in accordance with the terms of the Governing Documents.

### Resignation or Removal. The Administrator may resign hereunder upon providing thirty (30) days’ prior written notice to [FIRM]. The Administrator may be removed by [FIRM] for cause upon thirty (30) days prior written notice to the Administrator. Upon the effective date of such resignation or removal, all obligations of the Administrator hereunder shall cease and terminate.

## **Custodian**. [FIRM] has appointed [BANK], a financial institution doing business in [LOCATION], as the custodian for all Deposits into the QSF pursuant to the terms of this Agreement (“***Custodian***”).

## **Deposit.** Following execution of a Sub-Account Addendum, the Settling Defendant shall transfer the settlement proceeds set forth in the relevant MSA (the “***Deposit***”) to the Custodian, to be held by the Custodian in the appropriate Sub-Account in accordance with the terms of the Governing Documents and any further order of the Court. The Administrator shall notify [FIRM] of each Deposit within three (3) business days. Subject to and in accordance with the terms and conditions of the Governing Documents and any further order of the Court, the Administrator shall cause the Custodian to receive, hold in escrow, invest, and release or distribute each Deposit in accordance with the terms of the Governing Documents.

## **Investment of the Deposit.**

### Unless otherwise ordered by the Court, all monies received by the QSF, which include all principal and interest earned thereon, shall be held by the Custodian for the benefit of and titled in the name of the QSF and invested in instruments/securities comprised of (i) United States Agency, Government Sponsored Enterprises or Treasury securities or obligations (or a mutual fund invested solely in such instruments); (ii) cash equivalent securities including SEC registered money market funds and collateralized money market accounts; and/or (iii) deposit and similar interest-bearing, or non-interest bearing accounts subject to Federal Depository Insurance Corporation protections as available.

### The Custodian shall be responsible for any and all investment-related decisions, following the instructions of the Administrator and/or its investment advisor, such that the following investment policy is implemented: (i) safety of principal; (ii) zero bank balance exposure; and/or (iii) the use of zero sweep disbursement accounts to ensure funds remain in custodial or fully insured accounts to avoid an impermissible risk of loss should the financial institution holding the funds fail.

### All interest and other earnings on each Deposit shall become a part of that Sub-Account’s Deposit for all purposes.

### Any losses incurred as a result of the investing or other handling of the Deposit shall not be recoverable from any Settling Defendant, and the Settling Defendant and its counsel shall have no responsibility for the performance of the Custodian or the Administrator.

## **Claimants’ Interests in the Deposit.** The Deposit is the sole property of the QSF. This Agreement shall not operate to make any portion of the Deposit available to Claimants in any fashion, except as specifically set forth in the applicable MSA. To the extent possible, the terms of this Agreement shall be construed so as to prevent Claimants from being in constructive receipt, as determined under federal income tax principles, of any amounts held by the QSF prior to the time when the funds allocated to an individual Claimant’s settlement have been released from the QSF in accordance with the terms of the Governing Documents.

## **Disbursement of the Deposit.**

### The QSF, by and through the Administrator, shall only make payments to [FIRM], the Claimants, or such other claimants to the QSF with valid claims and/or liens; *provided, however*, that the Administrator is authorized to pay all reasonable and necessary expenses of the QSF out of the QSF, including, without limitation, fees and expenses incurred by the Administrator and Custodian. All payments pursuant to a specific MSA shall be made only from that MSA’s Sub-Account.

### The QSF shall be authorized to distribute from each Sub-Account all attorneys’ fees and litigation expenses to counsel for the Claimants, consistent with existing contingency fee contracts, to the extent required by law, or pursuant to a court order.

### The Custodian may only distribute income or principal from the QSF upon instructions of the Administrator (which instructions shall be given only in accordance with the terms of the Governing Documents) or, if requested, upon the order of the Court upon the Unopposed Motion of the parties.

### In directing the Custodian to make disbursements of the Deposit from any Sub-Account, the Administrator shall comply with the terms of the applicable MSA and/or any future order of the Court. Such disbursements may take the form of lump sum distributions and/or periodic payments as specified in paragraph 13 of this Agreement.

## **Use of Interest or Investment Income.** To the extent any Sub-Account holds any excess interest or investment income following the payment of all applicable fees, expenses, and taxes, the Administrator may authorize a distribution of such excess income to the Claimants of that Sub-Account on a pro-rata basis, based on their respective percentage interests in the Sub-Account’s Deposit.

## **Restriction on Release of Funds.** Notwithstanding anything herein to the contrary, no funds allocated to an individual Claimant’s settlement may be released from the QSF until the terms and conditions of the MSA have been satisfied.

## **Structured Settlements.** The QSF, by and through the Administrator, may purchase and assign any structured settlements created under any release agreements entered into between the Administrator and the Claimant. The Administrator shall also be authorized to enter into non-qualified assignments for the convenience of the Claimants to the extent that attorneys’ fees are to be paid as part of their obligations under existing contingency fee agreements[[1]](#footnote-1). Any structured settlement annuity contract shall be issued by a life insurance company that is rated A+ or better by A.M. Best Company.

## **Tax Matters.**

### Taxpayer Identification Number. The Administrator shall obtain a federal Taxpayer Identification Number for the QSF.

### Qualified Settlement Fund. Upon receipt of a Deposit by the Custodian, the Administrator shall promptly take all steps necessary for qualifying the QSF as a “qualified settlement fund” within the meaning of *Treas. Reg.* § 1.468B-1 and in accordance with the MSA. These obligations include, without limitation, the following:

#### *Regulation § 1.468B-3 Statement*. The Administrator will prepare a “Regulation § 1.468B-3 Statement” pursuant to *Treas. Reg.* § 1.468B-3(e) on behalf of each Settling Defendant and provide copies to Settling Defendant’s counsel for review and approval. The “Regulation § 1.468B-3 Statement” may be a joint statement as permitted under *Treas. Reg.* § 1.468B-3(e)(2)(ii).

#### *Regulation § 1.468B-1 Relation Back Election*. If required, the Administrator will prepare and attach to the income tax return of the QSF a “Regulation § 1.468B-1 Relation Back Election” pursuant to *Treas. Reg.* § 1.468B-1(j) for execution by the Settling Defendant and the Administrator. The Administrator will forward a copy of the “Regulation § 1.468B-1 Relation Back Election” to the Settling Defendant promptly after filing the same.

#### *Income Tax Returns*. The Administrator will timely and properly prepare and file on behalf of the QSF: (i) federal tax, information and withholding returns in accordance with *Treas. Reg.* § 1.468B-2and the other provisions of the Internal Revenue Code of 1986, as amended; and (ii) all necessary state and local tax returns.

### Payment of Taxes. All taxes on the income of the QSF and expenses and costs incurred in connection with the taxation of the QSF (including, without limitation, the expenses of tax attorneys and accountants) shall be paid out of the QSF, shall be considered to be a cost of administration of the settlement, and shall be paid as instructed by the Administrator. All payments of taxes, costs, and expenses shall be made only out of the Sub-Account to which such taxes, costs, and expenses relate. Taxes, costs and expenses that relate to the QSF as a whole shall be paid proportionally by each Sub-Account.

### Savings Provision. The Administrator shall be empowered to take all actions, including such actions as may be inconsistent with those expressly set forth herein, as the Administrator deems necessary to ensure that the QSF continues to qualify as a “qualified settlement fund” under Internal Revenue Code § 468B and Treasury Regulations § 1.468B-1 *et seq*. Notwithstanding anything to the contrary herein, in the event that any provision of this Agreement shall at any time be considered cause for the QSF to fail to qualify as a “qualified settlement fund” under Internal Revenue Code § 468B and Treasury Regulations § 1.468B-1 *et seq*., such offending provision shall be considered null, void, and of no effect, without any action by any court or by the Administrator, so that the QSF continues to qualify as a qualified settlement fund. In the event that this section applies to render an offending provision null, void, or of no effect, the remainder of this Agreement shall not be affected thereby, and each remaining provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

## **No Guarantee of Tax Consequences**. Notwithstanding any other provision of this Agreement, the parties hereto acknowledge and agree that neither the Administrator nor any Settling Defendant has made any representations or warranties regarding the tax consequences of any Deposit under the Governing Documents and shall have no liability to the Claimants, the Custodian, or any other party with respect to matters related to such tax consequences. Further, the Governing Documents shall be binding on the parties hereto, and shall continue to apply, notwithstanding the tax consequences under the Governing Documents.

## **Limitation of Each Settling Defendant’s Liability.** No Settling Defendant or its counsel or insurers, if any, shall have any obligation or incur any liability whatsoever with respect to the distribution and administration of the QSF or any Sub-Account therein. Following the contribution of the settlement proceeds to the QSF in accordance with the MSA and this Agreement, each Settling Defendant and its counsel and insurers, if any, shall have no further obligation to contribute to the QSF and no further obligation to Claimants.

## **Termination.** Upon final distribution to the Claimants of all Deposits in all Sub-Accounts that have been or will be allocated to the Claimants, and as long as the parties do not expect further Sub-Accounts to be created or further Deposits to be received, the Administrator shall take appropriate steps to wind down the QSF and thereafter be discharged from any further responsibility with respect to the QSF. Upon completion of such disbursement of all of the Deposits and such winding down as specified herein, this Agreement shall terminate.

## **Additional Matters Relating to Duties, Liabilities, and Rights of Administrator.**

### Accounts and Sub-Accounts. The Administrator shall have the authority to create such accounts and sub-accounts within the QSF as the Administrator deems reasonable or necessary to carry out the terms and purposes of this Agreement.

### Reports and Accounting. The Administrator shall provide to [FIRM], upon request, monthly and annual statements that shall include a statement of receipts, investment earnings, interest, and disbursements. Upon the request of a Settling Defendant, the Administrator may provide the Settling Defendant a statement for that Settling Defendant’s Sub-Account, including receipts, investment earnings, interest, and disbursements.

### Compensation and Reimbursement of Expenses. The Administrator shall receive compensation in accordance with the terms of the Administrator’s engagement with [FIRM]. In addition, the Administrator is authorized to retain professionals and incur such costs and expenses as the Administrator deems necessary in the course of administering the QSF, including, without limitation, legal counsel, tax advisors, and accountants. All fees and expenses reasonably incurred by the Administrator in performing its obligations or enforcing its rights hereunder shall be promptly paid from the QSF in accordance with paragraph 10 above.

### Reliance. The Administrator shall have the right to rely, and shall be fully protected and absolved from liability in relying, upon any resolution, statement, consent, order, affidavit, certificate, letter, notice, electronic mail, or other document believed by the Administrator to be genuine and sufficient and from an authorized person, officer, or other employee of a party, and upon any other evidence believed by the Administrator, in its reasonable judgment, to be genuine and sufficient. In the absence of fraud, bad faith, or willful misconduct on the part of the Administrator, the Administrator may rely as to the truth of any statements contained therein. The Administrator may consult with and rely on the advice of legal counsel and such other experts, advisors, consultants, or other professionals as shall have been retained pursuant to this Agreement and shall be fully protected and absolved from liability in respect of any action taken or suffered by it in accordance with the opinions of such professionals and advisors.

### Authority to Seek Instructions. Should the Administrator at any time receive or become aware of any conflicting demands or claims with respect to the Deposit or any part thereof or the rights or obligations of any of the parties hereto, or in the event the Administrator, in good faith, is in doubt as to what action it should take hereunder, the Administrator shall have the right to discontinue all further acts on its part and seek instruction from (i) [FIRM] and [DEFENDANT], or (ii) the Court, in the Administrator’s discretion. Except as limited in paragraph 18(f) below, the Administrator shall not be liable in any way or to any party for any failure or refusal to act in accordance with this paragraph, and the Administrator shall be entitled to continue to refrain from acting until all such disputes have been resolved and all reasonable doubt eliminated.

### Limitation of Liability.The retention and distribution of the Deposit in accordance with the terms and provisions of this Agreement shall fully and completely release the Administrator from any and all further obligations or liabilities under this Agreement. The Administrator shall have no liability to the QSF, Claimants, [FIRM], [DEFENDANT], or any other person for any acts or omissions in connection with the QSF, except to the extent such liability is the direct result of the Administrator’s bad faith or willful misconduct. Notwithstanding anything else in this Agreement to the contrary, in no event shall the Administrator be liable to any person for any incidental, special, punitive, or consequential damages, lost profits, any costs or expenses for the procurement of substitute services, or any other indirect damages, whether arising in contract, tort, or otherwise, even if the possibility thereof may be known in advance.

### Indemnification.The Administrator and its officers, directors, employees, agents, shareholders, successors, and assigns (collectively “***Indemnified Parties***”) shall be indemnified and held harmless by the QSF against any and all claims, suits, actions, proceedings, investigations, judgments, deficiencies, damages, settlements, liabilities, and expenses (including reasonable legal fees and expenses of attorneys chosen by the Indemnified Parties) (“***Losses***”) as and when incurred, arising out of or based upon any act, omission, alleged act, or alleged omission by the Indemnified Parties or any other cause in connection with the acceptance, performance, or non-performance by the Indemnified Parties of any of the Indemnified Parties’ duties under this Agreement, except to the extent such Losses are a direct result of the Indemnified Party’s bad faith or willful misconduct; *provided, however*, that this provision does not give the Indemnified Parties any rights against any Settling Defendants, which shall have no obligation or responsibility with respect to the Indemnified Parties by reason of this paragraph.

### No Implied Duties.This Agreement expressly and exclusively sets forth the duties of the Administrator with respect to any and all matters pertaining hereto, and no implied duties, responsibilities, or obligations shall be read into this Agreement.

## **Miscellaneous.**

### Third Party Beneficiaries. Each Settling Defendant for whom a Sub-Account is created within this QSF is an intended third party beneficiary to this Agreement. This Agreement is for the exclusive benefit of the parties hereto and the Settling Defendants and their respective permitted successors hereunder, and shall not be deemed to give, either express or implied, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

### Force Majeure. No party shall be liable for any delay or failure in performance of any obligations under this Agreement to the extent such delay or failure is the result of an occurrence beyond its reasonable control, including, without limitation, any provision of any present or future law or regulation, any act of any governmental authority, any act of God or war or terrorism, the unavailability of the Federal Reserve Bank wire services or any electronic communication facility, or any other circumstances beyond the party’s reasonable control.

### Notices. Any notice instrument or other communication required or permitted to be given by one of the parties to the other under this Agreement shall be considered as properly given if in writing and: (i) hand-delivered with written confirmation of receipt; (ii) sent by registered or certified mail, return receipt requested, and postage prepaid; (iii) sent by overnight courier, expenses prepaid; or (iv) sent by telex, telecopy, email, facsimile or prepaid telegram, in each case to the party at the address set forth below:

If to the Administrator:

Sylvius von Saucken, Fiduciary

The Garretson Resolution Group, Inc.

6281 Tri-Ridge Blvd., Suite 300

Cincinnati, OH 45140

Fax: (513) 601-8196

Email: [svs@garretsongroup.com](mailto:svs@garretsongroup.com)

If to [FIRM] and / or Claimants:

[NAME]

[FIRM]

[ADDRESS]

[ADDRESS]

Fax: [FAX]

Email: [EMAIL]

If to [DEFENDANT]:

[NAME]

[FIRM]

[ADDRESS]

[ADDRESS]

Fax: [FAX]

Email: [EMAIL]

All notices given in accordance herewith shall be deemed to have been received by the parties to whom such notices are directed: (i) upon delivery, if delivered personally or sent by telex, telecopy, facsimile, telegraph, or electronic mail; or (ii) three days after the date of transmittal thereof, if sent by registered or certified mail; or (iii) one business day after being deposited with the overnight courier. Any party to this Agreement may change the address to which such communications are to be directed by giving written notice to the other parties.

### Governing Law. This Agreement shall be governed by the laws of the State of Ohio, without giving effect to principles of conflict of laws that would result in the application of the substantive laws of any state other than Ohio.

### Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

### Headings. The headings used herein are for reference only and shall not affect the construction of this Agreement.

### Agreement May Be Executed in Counterparts. This Agreement may be executed in counterparts, whether by original, facsimile or electronic signature, all of which taken together shall constitute one and the same agreement.

### Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, permitted successors, trustees, receivers, and permitted assigns.

### Amendments; Waiver. The terms of this Agreement may only be modified or waived in a writing signed by all parties hereto. No waiver of any rights under this Agreement shall be effective unless in writing, and in no event shall a waiver of rights in one instance constitute a subsequent waiver of the same or any other right under this Agreement.

### Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter of this Agreement, and there are no other written or oral agreements, understandings or arrangements except as set forth herein.

## **IN WITNESS WHEREOF**, the Administrator and [FIRM] have executed this Agreement as of the dates set forth below:

**[FIRM]**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**THE GARRETSON RESOLUTION GROUP, INC.**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT 1**

**[DEFENDANT] SUB-ACCOUNT ADDENDUM**

**This** **[DEFENDANT]** **Sub-Account Addendum** is made and entered into as of the last date signed below by and between [Law Firm] (“***[Firm]***”) and The Garretson Resolution Group, Inc. (the “***Administrator***”).

**WHEREAS**, [Firm] and the Administrator have previously entered into a Qualified Settlement Fund Agreement dated [date] (“***QSF Agreement***”) for the purpose of establishing the [Name] Qualified Settlement Fund (“***QSF***”) as a qualified settlement fund to resolve tort claims by the Claimants against certain Settling Defendants arising out of injuries related to pelvic implants;

**WHEREAS**, the QSF Agreement provides for the creation of Sub-Accounts within the QSF for each Settling Defendant following (a) the execution of a settlement agreement, (b) approval of the creation of the Sub-Account by the court, and (c) the execution of a Sub-Account Addendum;

**WHEREAS**, [Firm] has entered into a Master Settlement Agreement (“***MSA***”) with [Defendant] (“***[Defendant]***”) on behalf of certain Claimants to resolve certain tort claims arising out of injuries related to the [Defendant] pelvic implants in exchange for the payment by [Defendant] of the sum set forth in the MSA (the “***Settlement Proceeds***”);

**WHEREAS**, the MSA sets forth the terms and conditions: (i) governing the creation of an account, to be established as a “qualified settlement fund” (as defined in *Treas. Reg*. § 1.468B-1(a)); and (ii) governing the deposit of the Settlement Proceeds into that account by [Defendant], to be retained therein and distributed therefrom in accordance with the terms of the MSA;

**WHEREAS**, in an Order dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“[***Defendant***] ***Order***”), the [Court] (“***Court***”) approved the creation of the [Defendant] Sub-Account within the QSF; and

**WHEREAS**, the parties desire to enter into this [Defendant] Sub-Account Addendum for the purpose of creating the [Defendant] Sub-Account within the QSF.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements contained herein, the Administrator and [Firm] agree as follows.

## **Defined Terms**. All capitalized terms not defined herein shall have the meanings set forth in the MSA, QSF Agreement, and [Defendant] Order.

## **Creation of Sub-Account**. The [Defendant] Sub-Account is hereby created as a Sub-Account within the QSF pursuant to the terms of the QSF Agreement. The [Defendant] Sub-Account shall be administered in accordance with the MSA, the QSF Agreement, the [Defendant] Order, and this [Defendant] Sub-Account Addendum.

## **Deposit.** [Defendant] shall deposit the Settlement Proceeds into the QSF in accordance with the MSA. Upon deposit of the Settlement Proceeds, the Settlement Proceeds shall become a Deposit subject to all of the terms and conditions set forth in the QSF Agreement.

## **Disbursements.** [*OPTIONAL ADDITIONAL PROVISION TO PROVIDE ADDITIONAL DETAILS FOR DISBURSEMENTS IN ACCORDANCE WITH MSA REQUIREMENTS*]

## **Termination of Sub-Account.** Upon final distribution to the Claimants of the [Defendant] Sub-Account Deposit, and as long as the parties do not expect further Deposits to be received in the [Defendant] Sub-Account, the Administrator shall take appropriate steps to wind down the [Defendant] Sub-Account and thereafter be discharged from any further responsibility with respect to the [Defendant] Sub-Account. Upon completion of such disbursement of all of the Deposit and such winding down as specified herein, this [Defendant] Sub-Account Addendum shall terminate.

## **Agreement May Be Executed in Counterparts.** This [Defendant] Sub-Account Addendum may be executed in counterparts, whether by original, facsimile or electronic signature, all of which taken together shall constitute one and the same agreement.

## **IN WITNESS WHEREOF**, the Administrator and [Firm] have executed this [Defendant] Sub-Account Addendum as of the dates set forth below:

**[FIRM]**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**THE GARRETSON RESOLUTION GROUP, INC.**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Structured Settlement Payments are assigned to a qualified assignee by entering into qualified assignments of such structured settlement payments within the meaning of Section 130(c) of the Internal Revenue Code. The qualified assignee shall, respecting each person who is to receive periodic payments under a settlement agreement, purchase one or more qualified funding assets within the meaning of Section 130(d) of the Internal Revenue Code to fund any structured settlement payments assigned to the qualified assignee. Where attorney fees are to be deferred and paid out over time, Structured Settlement Payments are non-qualified, as they do not meet the requirements of Section 130(c) of the Internal Revenue Code. In those cases, the attorneys would receive the benefits of a non-qualified funding asset as part of deferred compensation, for the convenience of their clients (claimants to the Sub-Account). [↑](#footnote-ref-1)