

4609-1  
P/MS

**GENTLE, TURNER & SEXTON**  
ATTORNEYS AND COUNSELLORS AT LAW  
SUITE 100 - 501 RIVERCHASE PARKWAY EAST  
HOOVER, ALABAMA 35244

EDGAR C. GENTLE, III  
TERRY D. TURNER, JR.\*  
K. EDWARD SEXTON, II  
DIANDRA S. DEBROSSE  
KATHERINE A. HARBISON  
M. BRANDON WALKER  
J. CHRISTOPHER SMITH  
PAIGE F. OSBORN  
ROBERT E. HAWTHORNE, III

TELEPHONE (205) 716-3000  
TELECOPIER (205) 716-3010

\*ALSO ADMITTED IN FLORIDA

February 4, 2011

**VIA HAND DELIVERY**

The Honorable Thomas A. Bedell  
Circuit Judge of Harrison County  
301 West Main Street, Room 321  
Clarksburg, West Virginia 26301

**Re: Perrine, et al. v. DuPont, et al.;  
Civil Action No. 04-C-296-2 (Circuit Court of Harrison County, West Virginia) -  
Initial Administration Budget, Accounting Internal Controls, Payment  
Vouchering Procedures, and Investment Policy;  
Our File No. 4609-1 {R}**

Dear Judge Bedell:

For your consideration, and after considering the input of the Finance Committee, your Claims Administrator submits the following, in accordance with the Medical Monitoring and Property Remediation Time Lines:

- (1) A proposed Administration Budget for the Two Funds for the period of January 1, 2011 through August 31, 2011;
- (2) The Perrine v. DuPont Claims Office accounting internal control policy;
- (3) The Perrine DuPont Settlement Schedule of Payment Vouchering and Disbursement Procedures; and
- (4) The written investment guideline for the Two Funds.

We would like to bring to your attention that Class Counsel and DuPont disagree on whether Finance Committee member fees should be paid by the Settlement. The parties would like the opportunity to brief this issue before the Court, requesting the Court's decision on whether Finance Committee member fees should be paid by the Settlement. The parties have agreed on the following briefing schedule:

February 4, 2011

Page -2-

---

1. Initial briefs submitted by February 14, 2011; and
2. Reply briefs, if any, submitted by February 17, 2011, with the issue being deemed submitted to the Court for a decision.

Thank you for the Court's consideration.

Yours very truly,



Edgar C. Gentle, III

ECGIII/tdt  
Enclosures

cc: (with enclosures)(by e-mail)(confidential)

Stephanie D. Thacker, Esq.,  
DuPont Representative on the Settlement Finance Committee

Virginia Buchanan, Esq.  
Plaintiff Class Representative on the Finance Committee

Meredith McCarthy, Esq.,  
Guardian Ad Litem for Children

Clerk of Court of Harrison County,  
West Virginia, for filing (via hand delivery)

**PERRINE DUPONT  
 SUGGESTED ADMINISTRATION BUDGET NO. 1<sup>1</sup>  
JANUARY 1, 2011 TO AUGUST 31, 2011<sup>2</sup>**

	<u>MEDICAL MONITORING FUND</u>	<u>PROPERTY FUND</u>	<u>TOTAL</u>
January	\$ 24,250	\$ 24,250	\$ 48,500
February	\$ 67,588	\$ 99,548	\$167,136
March	\$157,384	\$165,343	\$322,727
April	\$ 68,035	\$ 85,995	\$154,030
May	\$ 93,419	\$ 76,378	\$169,797
June	\$ 98,535	\$ 76,495	\$175,030
July	\$ 91,249	\$ 92,498	\$183,747
August	<u>\$142,249<sup>1</sup></u>	<u>\$ 83,498</u>	<u>\$225,747</u>
	<u>\$742,709</u>	<u>\$704,005</u>	<u>\$1,446,714</u>

---

<sup>1</sup> Includes a contingency for remaining medical monitoring pre-testing expenses.

<sup>2</sup> The budgeting of amounts for particular expense items does not limit the Claims Administrator from reallocating amounts between expense items. It is the Claims Administrator's intention to maintain costs within the budgeted amounts, but such budgeted amounts are not a cap. Should an expenditure exceed the budgeted amount, the Finance Committee will have the opportunity to determine if the expenses were reasonable and necessary, in reviewing the Claims Administrator's monthly fee and expense statements. As discussed in Paragraphs (i) and (iv) in the Schedule of Payment Vouchering and Disbursement Procedures, the Claims Administrator will pay the shared expenses of the Two Funds, except for the vehicle, and then seek reimbursement for those expenses through his monthly fee statements. The Claims Administrator's monthly fee and expense statements will lie over with the parties and the Court for twenty days, allowing each to determine if there are any objections to the same. The Claims Administrator's payment of these expenses prior to reimbursement does not constitute a waiver by either Finance Committee member of the right to object to the Claims Administrator's request for reimbursement in his fee statement.

JANUARY 2011

Fees and expenses of the Claims Administrator, to the extent approved by the Court, will be shared equally by the Medical Monitoring and Property Fund.

FEBRUARY 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, and Tax and Accounting Support [See Fees Appendix])	\$ 38,000
Property Program Questionnaire, Results Compilation and Fairness Hearing Preparation [See Fees Appendix]	\$ 11,960**
Class Town Meeting Notice (\$8,000 for mailout and \$4,000 for publication)	\$ 12,000
Web Hosting	\$ 50
Office Rent	\$ 500
Office Insurance	\$ 100
Office Cleaning	\$ 25
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 500
Telephone Service	\$ 1,500
Westlaw Legal Research	\$ 150
Rental Car (for week of Jan 31 through Feb 4 only)	\$ 1,655
Claims Administrator Office Vehicle and 1 Year Warranty (purchase)(titled jointly in two Settlement Funds)	\$ 25,000
Vehicle Insurance	\$ 50
Motel Bill (for Feb 1 through Feb 4 only)	\$ 600
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips from Alabama)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650

Airport Vehicle Storage (@ \$12/day)	\$ 336
Office Equipment (purchase)(3 computers, 3 telephones, 1 photocopier, 1 fax machine, and furniture for 3 people)(titled jointly in two Settlement Funds)	\$ 15,000
Claimant file shelves and supplies, anticipating 5,000 files	\$ 5,000
Claimant file storage monthly rent	\$ 300
Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000 <sup>1</sup>
Guardian Ad Litem Fees (20 hours @ \$250/hr)	\$ 5,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5% of above accounts)	<u>\$ 7,960</u>
Total	<u>\$ 167,136</u>

\* Assess to Medical Monitoring Fund only  
\*\* Assess to Property Fund only

---

<sup>1</sup> Class Counsel and DuPont disagree on whether Finance Committee fees should be paid by the Settlement. The parties intend to submit briefs supporting their respective positions, requesting the Court's decision on whether Finance Committee fees should be paid by the Settlement. The expenditures from this account shall not be made until the Court resolves this issue.

MARCH 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Town Meeting Staffing, Database Loading and Programming and Tax and Accounting Support)	\$ 110,000
Medical Monitoring registered <sup>1</sup> claimant checks [See Fees Appendix]	\$ 5,000*
Medical Monitoring Monthly Provisioning Development [See Fees Appendix]	\$ 19,000*
Property Program Questionnaire, Results Compilation and Fairness Hearing Preparation [See Fees Appendix]	\$ 11,960**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Town Hall Meeting Rent	\$ 2,000
Claimant Town Hall Meeting Refreshments	\$ 1,000
Town Hall Meeting Guard	\$ 2,000
Town Hall Meeting Copy Machine Rental	\$ 2,000
Office Insurance	\$ 100
Photocopier	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50

---

<sup>1</sup> Register means to prove Class membership, it does not require participation in medical monitoring.

Printing Costs for Medical Monitoring Registration Forms and Transmittal Letter (5,000)	\$ 3,000
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips from Alabama)	\$ 1,200
Mileage (2 car round trips from Alabama 1,300 miles @ .50/mile)	\$ 1,300
Airport Vehicle Storage (@ \$12/day)	\$ 372
File Storage Monthly Rent	\$ 300
Finance Committee Fees (120 hours each @ \$250/hr)	\$ 60,000
Guardian Ad Litem Fees (120 hours @ \$250/hr)	\$ 30,000*
Property Clean Up Technical Advisor	\$ 50,000**
FASB 5 Contingency Reserve (5 % of the above accounts)	<u>\$ 15,370</u>
Total	<u>\$ 322,727</u>

\* Assess to Medical Monitoring Fund only

\*\* Assess to Property Fund only



APRIL 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Database Loading and Programming and Tax and Accounting Support)	\$ 50,000
Medical monitoring registered claimant checks	\$ 5,000*
Medical Monitoring Monthly Provisioning Development	\$ 19,000*
Property Program Questionnaire, Results Compilation and Fairness Hearing Preparation	\$ 11,960**
Property Questionnaire Mail-Out (\$8,000 for mailout and \$2,000 for publication)	\$ 10,000**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Office Insurance	\$ 100
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650
Airport Vehicle Storage (@ \$12/day)	\$ 360
File Storage Rent	\$ 300

Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000
Guardian Ad Litem Fees (20 hours @ \$250/hr)	\$ 5,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5 % of above accounts)	<u>\$ 7,335</u>
Total	<u>\$ 154,030</u>

\* Assess to Medical Monitoring Fund only

\*\* Assess to Property Fund only

MAY 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Database Loading and Programming and Tax and Accounting Support)	\$ 50,000
Medical Monitoring registered claimant checks	\$ 5,000*
Third Party Claims Administrator Fees and Expenses	\$ 25,000*
Medical Monitoring Monthly Provisioning Development	\$ 19,000*
Property Program Questionnaire, Results Compilation and Fairness Hearing Preparation	\$ 11,960**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Office Insurance	\$ 100
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650
Airport Vehicle Storage (@ \$12/day)	\$ 372
File Storage Rent	\$ 300

Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000
Guardian Ad Litem Fees (20 hours @ \$250/hr)	\$ 5,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5 % of above accounts)	<u>\$ 8,090</u>
Total	<u>\$ 169,797</u>

\* Assess to Medical Monitoring Fund only  
\*\* Assess to Property Fund Only

JUNE 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Database Loading and Programming and Tax and Accounting Support)	\$ 50,000
Medical Monitoring registered claimant checks	\$ 5,000*
Third Party Administrator Fees and Expenses	\$ 25,000*
Medical Monitoring Monthly Provisioning Development	\$ 19,000*
Property Program Questionnaire, Results Compilation and Fairness Hearing Preparation	\$ 11,960**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Office Insurance	\$ 100
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650
Airport Vehicle Storage (@ \$12/day)	\$ 360
File Storage Rent	\$ 300

Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000
Guardian Ad Litem Fees (40 hours @ \$250/hr)	\$ 10,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5 % of above accounts)	<u>\$ 8,335</u>
Total	<u>\$ 175,030</u>

\* Assess to Medical Monitoring Fund only

\*\* Assess to Property Fund only

JULY 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Database Loading and Programming and Tax and Accounting Support)	\$ 50,000
Medical Monitoring Registered Claimant Checks	\$ 2,500*
Third Party Administrator Fees and Expenses	\$ 25,000*
Medical Monitoring Monthly Provisioning Development	\$ 19,000*
Property Program Execution [See Fees Appendix]	\$ 17,750**
Property Registration Mail-Out	\$ 10,000**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Office Insurance	\$ 100
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650
Airport Vehicle Storage (@ \$12/day)	\$ 372
File Storage Rent	\$ 300

Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000
Guardian Ad Litem Fees (20 hours @ \$250/hr)	\$ 5,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5 % of above accounts)	<u>\$ 8,750</u>
Total	<u>\$ 183,747</u>

\* Assess to Medical Monitoring Fund only

\*\* Assess to Property Fund only



AUGUST 2011

SHARED EQUALLY BY THE MEDICAL MONITORING AND PROPERTY FUND  
UNLESS OTHERWISE SHOWN

Legal Fees (Claims Office and General Case Administration Services, Database Loading and Programming and Tax and Accounting Support)	\$ 50,000
Medical Monitoring Registered Claimant Checks	\$ 2,500*
Third Party Administrator Fees and Expenses	\$ 25,000*
Medical Monitoring Monthly Provisioning Development	\$ 19,000*
Contingency for Final Determination of Medical Monitoring Class Membership and Payment of Balance of Medical Monitoring Class Member Cash [See Fee Appendix]	\$ 50,000*
Property Program Execution	\$ 17,750**
Web Hosting	\$ 50
Office Rent	\$ 500
Office Cleaning	\$ 25
Office Insurance	\$ 100
Photocopies	\$ 2,500
Telecopies	\$ 500
Postage	\$ 500
Federal Express	\$ 250
Office Supplies	\$ 250
Telephone Service	\$ 2,500
Westlaw Legal Research	\$ 150
Vehicle Insurance	\$ 50
Claims Administrator Residence Rent	\$ 750
Utilities for Claims Administrator Residence	\$ 100
Airfare (2 round trips)	\$ 1,200
Mileage (1 car round trip from Alabama 1,300 miles @ .50/mile)	\$ 650
Airport Vehicle Storage (@ \$12/day)	\$ 372

File Storage Rent	\$ 300
Finance Committee Fees (20 hours each @ \$250/hr)	\$ 10,000
Guardian Ad Litem Fees (20 hours @ \$250/hr)	\$ 5,000*
Property Clean Up Technical Advisor	\$ 25,000**
FASB 5 Contingency Reserve (5 % of above accounts)	<u>\$ 10,750</u>
Total	<u>\$ 225,747</u>

\* Assess to Medical Monitoring Fund only

\*\* Assess to Property Fund only

## SUGGESTED FEES APPENDIX

A.	Claims Office and General Case Administration Services		
	Legal Assistant/Receptionist at Office		= \$ -0-
	Associate Attorney		
	\$150/h x 80		= \$12,000
	Claims Administrator		
	\$250/h x 80		= <u>\$20,000</u>
			<u>\$32,000</u>
B.	Town Meeting Staffing		
	Legal Assistant		
	3 x \$ 50/h x 120		= \$18,000
	Associate Attorney		
	\$150/h x 120		= \$18,000
	Partner		
	\$200/h x 120		= <u>\$24,000</u>
			<u>\$60,000</u>
C.	Database Loading and Programming		
	\$ 80 (blended) /h x 150		= <u>\$12,000</u>
D.	Tax and Accounting Support		
	\$150 (blended) /h x 40		= <u>\$ 6,000</u>
E.	Medical Monitoring Registered Class Member Checks		
	1,000 checks for 4 months and		
	500 checks for 2 months		
	@ \$5.00/check <sup>1</sup>		= <u>\$ 25,000</u>

---

<sup>1</sup> This amount represents the Claims Administrator's estimated costs related to the issuance of a Class Member medical monitoring check, which includes, but is not limited to, check stock, envelopes, preparation time, postage, and printing. Not included in this amount is the cost of issuing a Federal Form 1099-MISC if the check amount exceeds \$600. The Claims Administrator will bill the actual costs; if the actual costs are less than \$5 per check, the Claims Administrator will bill the lesser amount.

F. Medical Monitoring Monthly Provisioning Development

Associate Attorney	\$150/h x 40	= \$ 6,000
Partner	\$200/h x 40	= \$ <u>8,000</u>
Claims Administrator	\$250/h x 20	= \$ <u>5,000</u>
		<u>\$19,000</u>

G. Property Program Questionnaire, Results  
 Compilation, and Fairness Hearing Preparation  
 (Spread Equally Over February, March, April, May and June)

Data Loading of Property Questionnaire Results

	\$ 80 (blended) /h x 160	= <u>\$12,800</u>
Accountant/Attorney	\$125 (blended) /h x 80	= <u>\$12,000</u>
Claims Administrator	\$250/h x 140	= \$ <u>35,000</u>
		<u>\$ 59,800</u>

H. Property Program Execution (Spread Equally over  
 July and August)

Legal Assistant	\$50/h x 160	= \$ 8,000
Associate Attorney	\$150/h x 100	= \$ 15,000
Claims Administrator	\$250/h x 50	= \$ <u>12,500</u>
		<u>\$ 35,500</u>

I. Contingency for Final Determination of Medical Monitoring Class Membership and Payment of Balance of Medical Monitoring Cash

Issuance of 5,000 Checks @\$5/check = \$25,000

Accountant/Attorney  
\$125 (blended) x 100 = \$ 12,500

Claims Administrator  
\$250/h x 50 = \$ 12,500  
\$ 50,000

**PERRINE v. DUPONT**

**CLAIMS OFFICE**

**INTERNAL CONTROL  
POLICY**

**2011**

## INTERNAL CONTROL POLICY

### PURPOSE OF INTERNAL CONTROL

Internal controls are put into place largely to allow management to monitor operations, identify business risks, and generate pertinent financial and nonfinancial information. In short, internal controls are designed and implemented so that management can run the organization. Internal controls also ensure that responsibilities are met.

Generally speaking, internal controls are established to provide reasonable assurance that:

1. Transactions are executed in accordance with management's authorization.
2. Transactions are recorded as necessary to permit the preparation of accurate financial statements and to maintain accountability for the organization's assets.
3. Access to assets is restricted to instances authorized by management.
4. Assets are periodically compared with the accounting records, both to determine the accuracy of the records and to account for the assets.

It is the Perrine v. DuPont Claims Office's (hereinafter referred to as the "Claims Office") policy to:

- Develop an adequate system of internal control which will promote a high level of compliance with Claims Office policies and procedures.
- Implement and maintain this system to assist the Claims Office to carry out its activities in an efficient and orderly manner, ensure adherence to management policies, safeguard its assets, and secure the accuracy and reliability of its records.

### GENERAL ACCOUNTING PROCEDURES AND BOOKKEEPING

- The Birmingham Office shall maintain the Claims Office's accounting records on the cash basis using the double entry system of bookkeeping and using current methods of electronic data processing.
- The Birmingham Office shall maintain accounting records for the Claims Office, as necessary, of the following kind:
  - Cash book consecutive records of cash receipts and cash payments
  - General Journal
  - General Ledger
  - Other records necessary to fully document and explain the financial transactions of the Claims Office and as necessary to comply with regulations in relation to other financially expressed obligations, for example, budgeting and annual reporting
- The Claims Office shall ensure that there is adequate and appropriate supervision of employees, together with segregation and rotation of duties and employee back-up where possible.

- The Claims Office shall ensure that employees have capabilities commensurate with their responsibilities and, where possible, that a regular rotation of duties occurs to minimize the opportunity for fraud or collusion.

### **MONIES RECEIVED**

- All monies received shall be recorded by an entry for each individual transaction.
- Payor shall be issued a receipt, if necessary.
- Receipt or cash receipt record shall indicate the mode of payment.
- Checks received by the Claims Office shall, on receipt, be restrictively endorsed.
- When necessary, receipts shall be issued on Claims Office stationery and be numbered.
- A copy of the details of each receipt shall be retained either in hard copy or re-printable form from the Claims Office computer system, and all receipt details shall be electronically submitted to the Birmingham Office for each day there are receipts.
- The original of every cancelled receipt shall be retained.
- All money received through the mail shall be recorded into a register by an employee other than the one whom opens the mail (All mail shall be date-stamped when received by the Claims Office).

### **BANKING**

- All money received by an employee of the Claims Office must be paid into the Claims Office Checking Account at MVB Bank.
- Money received by or on behalf of the Claims Office must be banked as soon as practicable on or after the day of receipt.
- The Claims Office must keep detailed records of banking, and forward a copy of the same electronically to the Birmingham Office as soon as practicable on or after the day of receipt.
- The Birmingham Office will reconcile banking records with receipts.
- All monthly bank statements and notices will be addressed to the Birmingham Office.



## FOR PAYMENT AND ACCOUNTS PAID

- All orders from the Claims Office for goods or services shall be issued from either the responsible Claims Office employee or Claims Administrator.
- All accounts for payment by the Claims Office shall be certified to the Birmingham Office by a responsible employee as to:
  - The receipt of the goods or services being in accordance with the relevant order
  - The prices charged being fair and reasonable
  - The calculations and additions being correct
- All claims to be paid for Property Remediation or Medical Monitoring shall be approved for payment by the Claims Administrator.

## DISBURSEMENTS

- The following individuals are authorized to sign checks on behalf of the Claims Office:
  - Claims Administrator - Ed Gentle
  - Attorneys - Michael Jacks, Terry Turner, Diandra Debrosse
- Checks shall be pre-printed and shall be numbered and issued in numerical sequence.
- The original of all cancelled checks shall be retained, if provided by the bank.
- Check requests for the payment of vendors shall be submitted with the proper supporting documentation by the Claims Office to the Birmingham Office for payment. If immediate payment is required by the vendor, the Claims Office may make the payment, but shall provide a copy of the check and all supporting documentation electronically to the Birmingham Office as soon as practicable after payment.
- The copy of a Claims Office check shall be attached to the supporting documentation and filed in alphabetical order by vendor.

## BANK AND INVESTMENT ACCOUNTS

- A bank reconciliation statement shall be prepared by the Birmingham Office for the end of each month.

## FIXED ASSETS

- Accurate records shall be maintained of all fixed assets including assets acquired for no monetary consideration.
- Detailed registers shall be maintained of all Claims Office fixed assets, and a copy of the

same shall be forwarded to the Birmingham Office at least every six months or as requested by the Birmingham Office.

- Periodically, a check shall be made of fixed assets on hand with the fixed assets registers.

### INSURABLE RISK

- All identified insurable risks should be covered with a policy of insurance issued by a recognized insurance company. The coverage should be the equivalent of full replacement value.
- The extent of the coverage, both risk and sum insured, should be reviewed at least annually by the Claims Administrator.
- Coverage may include as appropriate:
  - Public liability
  - Professional indemnity
  - Workers compensation
  - Motor vehicle and plant
  - Fidelity guarantee
  - Contents
  - Cash in transit/premises

### PASSWORD PROTECT LAPTOP COMPUTERS

- All laptop computers are to have discreet passwords. Passwords are to be filed in a secure location.

### INTERNAL CONTROLS OVER CASH

Because cash is negotiable, readily spendable, and easily transported, it is important for proper Claims Office internal controls to be in place to protect this asset. Accordingly, it is the policy of the Claims Office that the following internal controls over cash be implemented throughout the Claims Office:

1. Access to cash/checks must be limited. All funds should be kept secure at all times. All Claims Office funds should be kept in safes, locked boxes or drawers.
2. Cash operations must be subject to daily supervisory review. To minimize the potential for mistakes in cash operations and /or misappropriation of cash, cash duties should be separated among employees so that in all instances one person will check the work performed by another.

3. All cash must be completely and accurately recorded in the financial records of the Claims Office maintained by the Birmingham Office.

### **SEPARATION OF DUTIES**

The internal control that most effectively assures the secure handling of cash is separation of duties. Having different people receive cash, prepare the transmittal, and reconcile the ledger sheets attains this. This allows each person to serve as a control over the others, catching mistakes and preventing the misappropriations of funds.

In a small office where separation of duties is difficult, it is imperative that one employee will review cash operations each day to provide for compensating controls.

### **COMPENSATING CONTROLS**

Compensating Controls are less desirable than separation of duties because they generally occur after the transaction is complete (post audit). Relying completely on compensating controls is less desirable than separation of duties because it takes more resources to investigate and correct errors, and recover losses, than it does to prevent them. However, in some circumstances, departments do not have the staff resources to establish adequate separation of duties, so they have no choice in the matter. In these instances it is important for management to implement controls that compensate for the increased risk.

THE PERRINE DUPONT SETTLEMENT  
SCHEDULE OF PAYMENT VOUCHERING AND DISBURSEMENT PROCEDURES

It is recognized that the Perrine DuPont Settlement monies are allocated into two separate Internal Revenue Code of 1986 § 468B Qualified Settlement Funds, the Perrine-DuPont Property Remediation Qualified Settlement Fund (the "Property Fund") and the Perrine-DuPont Medical Monitoring Qualified Settlement Fund (the "Medical Monitoring Fund"), with these two Funds sometimes being referred to as the Two Funds. The Claims Administrator may make the following disbursements respectively from the Property Fund and the Medical Monitoring Fund under the following terms and conditions:

- (i) There will not be a common operating account for the Two Funds. Instead, except for the capital Claims Administrator vehicle, to be titled equally in the Two Funds, shared expenses of the Two Funds shall first be paid by the Claims Administrator, then invoiced in monthly Claims Administrator bills discussed in Paragraph (iv), below.
- (ii) An equal share of monies from each of the Two Funds to purchase a Claims Administrator vehicle priced at or below the amount budgeted therefor in the Court approved budget, following submission to the Court and the Finance Committee of a payment voucher in Form A describing the proposed vehicle purchase, ten (10) business days in advance, and failure of the Court or either member of the Finance Committee to object.
- (iii) Payment to accountants for providing Court-approved income tax, audit or other accounting services for one of the Two Funds, following submission of each bill to the Finance Committee and the Court at least ten (10) business days in advance and failure of any of them to object.
- (iv) Payment of legal fees and reimbursement of expenses charged by the Finance Committee members, the Guardian Ad Litem, or the Claims Administrator, following submission of each bill to the Finance Committee and the Court at least twenty (20) days in advance and failure of any of them to object, and following the Court's entering an Order authorizing such payment.
- (v) Payments to MVB Bank for banking fees for one of the Two Funds, following submission of each bill to the Finance Committee and the Court at least five (5) business days in advance and failure of any of them to object.
- (vi) Payment of any other Settlement expenses in the Court approved budget by either or both of the Two Funds as provided in the budget, following submission of a voucher in Form A to the Finance Committee and the Court at least five (5) business days in advance and failure of any of them to object.

- (vii) Payment of all other expenses for either of the Two Funds following (a) the Claims Administrator's provision of notice and documentation thereof to the Finance Committee and the Court for a reasonable period in advance (at least two (2) business days to the extent practicable), (b) the Court's holding a Hearing thereon, if requested by any of the persons listed in (a), above, and (c) the Court's entering an Order authorizing the Claims Administrator to pay the same.

At least once every calendar quarter, the Finance Committee shall meet to formally review all disbursements made by the Claims Administrator during the previous quarter to determine if they meet this Schedule's terms and to approve or disapprove them.

For purposes of the foregoing Schedule, delivery of documents to the Court and the Finance Committee or any other party shall be deemed to occur (i) on the day they were telecopied or e-mailed, (ii) one business day after they are sent by overnight courier, and (iii) two business days after they are mailed by United States Mail, first class postage prepaid.

# PERRINE v. DUPONT SETTLEMENT PAYMENT VOUCHER

Spelter, WV



PAYEE INFORMATION			
NAME: _____		DATE	PAYEE REFERENCE
ADDRESS: _____			
		ACCOUNTING DISTRIBUTION	
<b>Instructions:</b> 1. Prepare in duplicate. 2. Send original and one remittance copy to Birmingham Office. 3. Claims Office should retain a copy for its records. 4. Original of vendor invoice or other supporting documents must be attached. 5. Sum of Distribution Amounts must agree to Total Payment.		ACCOUNT TYPE	DISTRIBUTION AMOUNT (5)
REASON FOR EXPENDITURE (PLEASE BE EXPLICIT)			AMOUNT
			\$
<b>TOTAL PAYMENT (5)</b>			<b>\$</b>

I HEREBY CERTIFY that the services for which reimbursement is claimed have been performed, and/ or that the items listed have been received, the amounts are correct, and are hereby approved for payment.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name

Audited		Payment Due Date
---------	--	------------------

FORM A

PERRINE v. DUPONT

SUGGESTED INVESTMENT GUIDELINE

In Federally insured interest-bearing accounts or certificates of deposit, or in United States Treasury bills and other forms of United States Government or United States Governmental Agency obligations, or in investment funds which contain only said types of investment.