

**STATEMENT OF PLAINTIFFS' LIAISON COUNSEL PAUL
J. NAPOLI ABOUT THE *IN RE: WORLD TRADE CENTER
DISASTER SITE LITIGATION* AMENDED SETTLEMENT
PROCESS AGREEMENT**

MR. NAPOLI: Good morning, Your Honor. May it please the court, my name is Paul Napoli, and I am Plaintiffs' Liaison Counsel, co-liaison counsel with Mr. Carboy, and we, our office, Worby Groner Edelman Napoli Bern, represent approximately 9,000 firefighters, police officers, and construction workers that will have the opportunity to participate in this process agreement.

Your Honor, I thank you for allowing us the opportunity to present the court with our amended settlement process agreement. And what, if anything, that can come from Ms. Warner's comments and her detailed analysis of the settlement agreement is that this was a long, hard-fought negotiation and was not a fly-by-night operation. Both sides had experts in all disciplines with which they consulted to try to negotiate the best possible terms for the plaintiffs in this litigation.

When we initially presented Your Honor in March with the initial settlement agreement, we believed, as we believe today, that it was a substantial sum and it is a substantial sum today. But what we have done in the last 90 days in working and the process we present to you here today can be described in three words: bigger and better. This agreement addresses all of the issues Your Honor has asked us to address on March 19, 2010. Through this court's efforts and the assistance of the Special Masters -- Professors Twerski and Henderson -- the parties have arrived at a process that ensures guaranteed, immediate and just compensation to the men and women who performed the duties at Ground Zero.

As Your Honor instructed us to do on March 19, we have crafted a proposal that will make us all proud of our efforts and that provides substantial justice to these men and women. In our view as plaintiffs, we believe a debt was incurred on September 11, a debt to these men and women, and that this settlement that we present to you here today goes a long way to repaying that debt.

On March 19, the court, and I won't go into all the issues, but try to highlight some of the issues Your Honor addressed on March 19, first, Your Honor noted that this was a complex deal and that it was very difficult to understand. So as part of the amendment to this agreement, we have taken great care to select an ethicist who wrote the book in New York, who is nationally recognized, Professor Roy Simon of Hofstra University, to come in and to evaluate all of the client communications and to help us make sure that they are clear and understandable. Part of Professor Simon's job would be to assist us in providing a letter to the plaintiffs that will advise them of the different types of benefits they will receive. Among them, most importantly, is cash payments, cash payments now. They will also receive a question and answer document addressing the most frequently asked questions about this settlement in concise language, in understandable language. The plaintiffs will also be advised, and it was a major concern of Your Honor on March 19, of the information, the different elements that go into determine a client's calculation of points, what tier they fall in, and most importantly, because clients don't want points, they want to know what the dollar value of their claim is worth, what is the range of their award, and these materials will be vetted with Mr. Simon, presented to the court for consideration, and we would ask that Your Honor approve these materials and assist us in that communication.

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...And we believe, and we have begun this process already with Professor Simon, we believe that ultimately court-approved documents will offer complete, clear and understandable explanations of this very complicated 104-page deal.

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...At 10:30 this morning, on our Web site 877wtchero.com, [we] have posted the settlement agreement with the exhibits. We also are available to provide an executed copy, and we will replace the signature pages this afternoon. As Your Honor knows, this document was signed this morning. We didn't have the opportunity to replace them yet. Your Honor also noted on March 19 a specific concern about cancer cases. Despite the difficulty of proving causal connection between many types of cancers, we have seen that there was a moral imperative to provide for those plaintiffs in the settlement agreement. We certainly tried in the initial settlement to get more compensation for these solid cancers, and it was a serious point of contention. Your Honor's words on March 19 assisted us in achieving that goal, and we were able to substantially increase the amount of money that goes to solid cancers and even more money to solid cancer respiratory tumors. At the same time it is measured, it is measured by those legal issues, *Daubert* and causation, but it is substantially more than was in the initial agreement.

The third thing Your Honor wanted to make sure was that there was a transparent, accountable process that would assure the court and the plaintiff that the settlement awards are based on complete, correct, and verifiable information. And through this court's appointment -- we hope, we ask that you consider the appointments -- of Matt Garretson as the Allocation Neutral and Kenneth Feinberg as the Appeal Neutral and this court's oversight of the structure, we truly believe that this settlement is superior in its ability to hold everyone accountable, certainly superior in any settlement that I have been involved in. As Ms. Warner said, you can't ask for two better gentlemen to complement what Your Honor has done and what the special masters have done in overseeing this settlement, and the plaintiffs that I represent welcome that oversight.

So what the end result is, the process has inherent in this system checks and balances so that the court and plaintiffs will be assured that the distribution of the funding of this settlement are being fairly allocated to deserving men and women. All of these things represent material improvements to the settlement agreement that was originally presented in March, but there was not only substantial improvements, Your Honor, in the structure, but also in the value, as Ms. Warner has stated. As a result of your comments, Your Honor, on March 19, the Captive has put in an additional \$55 million in cash, cash, not contingent, but cash. They have also put in an additional 3 1/2 million plus interest towards the Allocation Neutral costs. So the ultimate award or cash outlay that the Captive can be responsible ultimately to pay is 716 million plus interest on the corpus until it is distributed and that's the 712.5 million plus the \$3 1/2 million in Allocation Neutral costs.

In addition to that increase in the Captive's cash contribution, there has been an increase in the amount of money clients can receive because the plaintiffs' lawyers have decided to voluntarily reduce their attorney's fees from what their statutorily entitled to under contract and law in New York. The plaintiffs' attorneys will be foregoing approximately \$57 million in attorney's fees that they would be entitled to collect. That is an additional \$57 million that will remain in the plaintiffs' hands. We have also agreed to waive our fees on workers comp claims

recoveries. We have also agreed to waive our fees on the Met Life policy premium, which is part of that \$716 million, and on the future payouts if -- to any plaintiffs that they may recover under those disability policies. And I think, Your Honor, this shows for over the seven years, since we first began this litigation, when no other firms would, our commitments to the clients have never wavered. We have done everything in our power as attorneys, including the voluntary reduction of fees to achieve the best outcome for the plaintiffs. We have been -- we believe we have been successful, and we are particularly gratified that our efforts have resulted in improvements to the original settlement agreement, all told an increase in value of more than \$125 million.

I would like to take a moment, Your Honor, to acknowledge the hard work of my co-counsel, Mr. Groner, Mr. Bern, Mr. Worby, Ms. Rubin, Mr. Papain, Mr. Carboy, and also my adversaries. We have spent more time, Mr. Groner and I, with our adversaries I believe than we spent with our families over the last several years in trying to work out a compromise.

I would also like to thank the people in our office, the people who don't always get an honorable mention, the paralegals and the secretaries and the receptionists who talk to these people every day and have been talking to them every day, and I can imagine the phones will be ringing this afternoon in all of our office.

But most importantly, Your Honor, these plaintiffs owe a measure of gratitude to this court and to the special masters, and I want to take a moment to personally thank you for myself and our firm and on behalf of the plaintiffs for assisting the parties in making these improvements. We hope the fairness hearing will better highlight some of the improvements you have shepherded and welcome your support as we proceed.

Thank you, Your Honor.