

Tapping into the settlement

Experts say Birmingham companies can gain from BP settlement

BY CHRISTINE HALL | CONTRIBUTOR

Birmingham businesses have the potential to reap millions of dollars from BP oil spill claims, and local law firms are ramping up their efforts to convince clients to file a claim.

Local attorneys helping clients file claims conservatively estimate that between \$500 million and \$750 million from BP claims could be paid out to businesses in the metropolitan area, though there is no cap on the settlement fund. But that's only if businesses come forward, learn about the terms of the settlement and make a claim.

Because all of Alabama is included, attorneys are encouraging more businesses to take advantage of the settlement, especially those who have been struggling in recent years.

Lange Clark, of Lange Clark PC, said he has filed 50 claims on behalf of clients, with about half being settled. "This can be a game-changer," he added. "I'm seeing the claims provide enough working capital to replace lines of credit and make their businesses totally debt free."

One client even recouped enough of his businesses to retire.

As of Feb. 15, there have been 140,580 claims made, with 23,647, or 17 percent, of those coming from Alabama, according to the Deepwater Horizon Claims Center. The settlement includes all of Alabama, Mississippi, Louisiana, and parts of Florida and Texas.

Most businesses are eligible for the class settlement with the exception of banks, real estate developers and insurance companies in the financial sector, Rhon Jones, a shareholder and manager of the environmental matters practice at Beasley Allen Crow Methvin Portis & Miles PC, said. Those companies have to file separate lawsuits against BP, he added.

The class claims settlement will continue through April 22, 2014, and the claims center has already paid out more than \$1.5 billion of the \$7.8 billion BP estimated it will pay to settle claims, according to media reports.

There is definitely money out there, but the process does require a fair share of work.

Business owners have to show their businesses experienced a drop in revenue of a certain percentage

for three consecutive months following the oil spill in April 2010 compared with the same months in 2009, and then a subsequent revenue increase in 2011, Chris Williams, a shareholder with Maynard Cooper & Gale PC, said.

Attorneys recommend businesses have representation they trust to work through the financials and to navigate them through the settlement.

The process is not only document intensive, including a 1,200-page document, but it has been difficult to determine which zone a business is located in and if certain facilities, for companies with multiple locations, are eligible, Williams said.

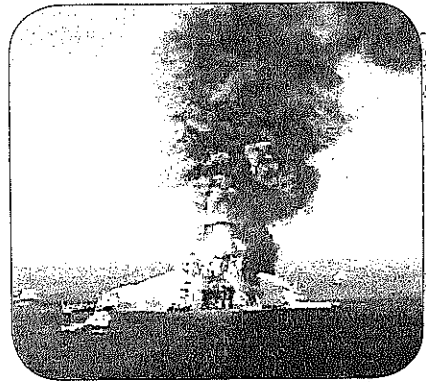
In addition, the process has also changed numerous times, with BP sending attorneys updates, often weekly, Jonathan Dyal, an attorney with Balch & Bingham LLP, said.

"BP also likes to appeal everything," he said. "But BP wants closure, so we are telling clients to let us look at their financials and see if they fit under the provisions."

Dyal, along with Michael Freeman, Todd Lowther and Matthew McDade, formed a litigation team to help current clients and other businesses file claims against BP. Claims have been as low as \$5,000 and as high as \$8 million, he said. His firm is charging clients a 15 percent contingency.

Balch & Bingham is assisting more than 100 clients and has filed 22 claims to date and two lawsuits on behalf of clients who didn't fit in the class settlement, Dyal said. He expects to file 150 to 200 more claims by the deadline.

In addition to helping clients, Beasley Allen's Jones was on the plaintiff's steering committee that negotiated with BP for a \$20 billion private settlement. His practice group of about 60 people, including 25 lawyers, is working only on BP claims right now. It has about 5,000 clients, but not all of them will have claims, Jones said.



The April 2010 oil spill caused billions of dollars in damage along the Gulf Coast.

"It's not a stretch to say that Birmingham, because it has the largest population, could have more claims paid than any other part of the state," he said. "This will have a significant impact on Birmingham if businesses are looking into it and determining if they are eligible."

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