

January 3, 2011

BY EMAIL (barbier@laed.uscourts.gov)

The Honorable Carl J. Barbier
United States District Judge
Eastern District of Louisiana
500 Poydras Street, Room C256
New Orleans, Louisiana 70130

Re: *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*,
on April 20, 2010, MDL No. 2179 (E.D.La., Barbier, J.)

Dear Judge Barbier:

I represent the Gulf Coast Claims Facility (the "GCCF"). I write respectfully to notify the Court regarding the steps the GCCF is taking to comply with the hold-back requirements set forth in the Order and Reasons entered in the above-referenced litigation on December 28, 2011 (the "Order") as the GCCF understands these requirements.

Upon receiving a copy of the Court's Order, the GCCF promptly began taking steps to ensure its compliance with the hold-back requirements. Effective December 30, 2011, the GCCF has temporarily frozen all payments to claimants and the issuance of any payment determination letters. This was necessary both because the GCCF must take various administrative steps to implement the Order's requirements in order to begin withholding amounts from payments and because the GCCF seeks to confirm its interpretation of the Order with the Court prior to beginning the process of instituting the hold-back requirements. The GCCF will today update its website to provide notice of the freeze and will also post the Order on its website, along with a notice that explains why, going forward, six percent of the prospective payments made by the GCCF will be withheld from claimants' payments.

In compliance with the Court's order, the GCCF intends to make the following changes to its payment processing:

- The GCCF will withhold six percent from all prospective payments made to claimants following the lifting of the freeze. These amounts will be deposited into a court-supervised escrow account.
- The six percent hold-back will be applied to all prospective payments made to all claimants who were not issued a payment determination letter as of December 29, 2011.

- The GCCF regularly withholds payments pursuant to liens and writs of garnishment, primarily relating to the payment of court-ordered child support obligations. The GCCF will satisfy such liens and garnishments prior to application of the six percent deduction.

The GCCF respectfully requests confirmation from the Court that its interpretation is consistent with the Court's Order as well as clarification of any obligation the GCCF may have regarding the retroactive application of the Court's order to those payments already made to claimants on or after November 7, 2011.

Very Truly Yours,

A handwritten signature in cursive script that reads "David B. Pitofsky". To the right of the signature, the word "kam" is written in a similar cursive style.

David B. Pitofsky