

Cause N^o C-1-PB-18-000872

IN RE:	§	IN THE PROBATE COURT
	§	
TEL OFFSHORE TRUST	§	NO. ONE OF
	§	
QSF DISTRIBUTION	§	TRAVIS COUNTY, TEXAS

FINAL REPORT ON TEL DISTRIBUTIONS

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Karl Johnson, Trustee of the TEL Offshore Trust Qualified Settlement Fund, and files this *Final Report on TEL Distributions* and would show the Court the following:

First Distribution

I.

By Court Order dated April 27, 2018, the Trustee's Distribution Lists were approved and the claimant lists thereby finalized for the initial distribution of \$1 million to approved 2014 claimants and \$4 million to approved 2017 claimants. The final tally was that 3,173,193.30 units were claimed for the 2014 distribution and 3,921,133.28 units were claimed for the 2017 distribution. A 2014 unit was valued at \$0.31514 and a 2017 unit was valued at \$1.02735.

II.

Distribution checks were mailed in June 2018. One thousand, seven hundred checks were mailed to 2014 unit holders and one thousand, five hundred, eighteen checks were mailed to 2017 unit holders. The Trustee's *Report on First Distribution and Motion for Ratification* was filed on November 15, 2018 and approved by Court Order dated December 19, 2018; said report is referenced and incorporated herein.

Second Distribution

III.

By separate Court Order dated December 19, 2018, the Trustee was instructed to make a final distribution of \$720,002.04, a sum reached after careful consideration of remaining costs

and Court approval of the Trustee's November 15, 2018 *Motion for Court Guidance*. Over 3200 distribution checks in this amount were mailed by mid-January 2019.

IV.

Total receipts received into the trust were \$6,860,446.94. After balancing the books for this final report, and disregarding non-cashed distribution funds which are addressed below, the Trustee holds an unexplainable sum of \$1019.59 less than receipts minus distributions and expenses. An extensive review of income, expenses and distributions has not revealed why. The Trustee notes that this sum is .01486 percent of the \$6,860,446.94 received.

V.

The Trustee holds a total of \$45,482.25 representing 658 uncashed checks from both distributions. This sum is certain. The Court has already approved the proposal of distributing this sum to the Texas Comptroller as unclaimed funds, together with a list of those persons, their last known addresses and the amounts owed them. The Trustee (his paralegal) is working on finalizing this list for transmittal.

VI.

The Trustee closed the TEL checking account on at the very end of December 2019, transferring the remaining balance of \$71,347.59 into his IOLTA account. This was done so that the 2019 tax return for the trust could be a final return, so that a sum certain for uncashed checks would be known and so that the trust could be closed before another bond payment is due, as anticipated by the Court in its approval of the final distribution.

VII.

The final amount transferred, after accounting for the discrepancy noted in paragraph IV. hereof and deducting the sum to be transferred to the Texas Comptroller, is \$25,865.34 more than anticipated when the final distribution numbers were calculated. The primary explanation is that interest on the CDs held by the trust when the final distribution was calculated was unknown, as most of the CDs had not been cashed-in, and the distribution was calculated without anticipation of the additional interest. The sum of \$20,989.54 is the amount of interest earned which hadn't been included; the remainder consists of bank adjustments and an attorney fee refund.

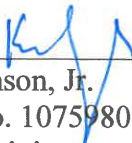
VIII.

Guidance is sought on what to do with this surplus. It is far too little to distribute to unit holders. All attorneys have been paid in full; indeed, the attorneys involved were awarded bonuses from the settlement funds when the underlying litigation was resolved. The Trustee is not disinterested. Costs anticipated for the closing of this trust, completing the final distribution and reconciling the bank account were higher than anticipated. It would not be inappropriate to award this surplus as final payment of reasonable and necessary fees and expensed to the Trustee and his staff.

WHEREFORE, the Trustee prays that the Court consider this *Final Report on TEL Distributions*, **that the Court approve the report after it has been on file for ten (10) days unless objections are filed**, that the Court authorize the transfer of funds to the State of Texas unclaimed funds division, that all parties take notice of its filing and that the Court instruct the Trustee on the distribution of the remaining balance.

Respectfully submitted,

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By: 
Karl G. Johnson, Jr.
State Bar No. 10759800
Trustee/Administrator of the TEL Offshore Trust
Qualified Settlement Fund

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served or will be served in accordance with the Court's Orders regarding service dated September 28, 2015 and January 21, 2016.


Karl G. Johnson, Jr.