

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

**REPORT ON FIRST DISTRIBUTION
and MOTION FOR RATIFICATION**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Karl Johnson, Trustee of the TEL Offshore Trust Qualified Settlement Fund, and files this *Report on First Distribution and Motion for Ratification* and would show the Court the following:

Report

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 tally was that 3,173,193.30 units were claimed for the 2014 distribution and 3,893,519.28 units were claimed for the 2017 distribution. A 2014 unit was worth \$0.31514 and a 2017 unit was worth \$1.02735.

II.

Distribution checks were mailed in June 2018. One thousand, seven hundred checks totaling \$1,000,000.71 were mailed to 2014 unit holders and one thousand, five hundred, eighteen checks totaling \$4,000,008.73 were mailed to 2017 unit holders. As of the date of the preparation of this report, outstanding (not negotiated) checks total \$47,144.19 for the 2014 distribution and \$58,263.17 for the 2017 distribution.

III.

Ninety-four distribution checks were returned by the postal service. Of these, through a combination of data searches and postal information, forty-seven were re-mailed to the unit holders. Forty -seven returned checks, all labeled "insufficient address," are currently in the Trustee's possession (though all forty-seven participated in filing claim forms.) Only seven of

these returned checks are for more than \$100.00; the cumulative total is \$5,243.73

Ratification

IV.

Three claimants (six checks) wrote to the Trustee, explaining that the checks received were payable to joint tenants, one of whom had died, and that they were unable to negotiate the checks. All three returned the original checks to the Trustee and provided copies of the death certificates. The Trustee issued replacement checks to the surviving joint tenant and seeks ratification.

V.

Mistakes in the final distribution lists were found. An internal two-page document from February 2018 listed claimants who had appropriately completed claim forms but hadn't yet been added to the lists. The second page of this document (three claimants) was inadvertently omitted from the distribution lists submitted to the Court for approval. All three claimants were 2017 NOBOS. When these omissions were reported to the Trustee he issued distribution checks to these three claimants. The cumulative number of additional units was 7250 units; the cumulative additional payment was \$7448.29.

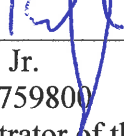
Additionally, five other 2017 NOBOs were not included in the lists; all were last minute claimants whom the Trustee lost in the shuffle. When these omissions were reported to the Trustee he issued distribution checks to these five claimants. The cumulative number of additional units was 20,364 units; the cumulative additional payment was \$20,920.95.

Had these mistakes not occurred the total number of 2017 units claimed would have been 3,921,133.28 (instead of 3,893,519.28) and the value of a single unit would have been \$0.00724 less than paid. The Trustee believes that the changes made with the correction of these mistakes are *de minimus*, particularly as each claimant was equally overpaid and none will suffer as each will proportionally be paid minusculely less in the second distribution. The Trustee seeks ratification for his corrections of errors as reported in this paragraph V.

WHEREFORE, the Trustee prays that the Court consider this *Report on First Distribution and Motion for Ratification*, that the Court approve the Report generally and ratify the corrections made to the mistakes outlined in paragraphs IV and V, that all parties take notice of its filing and hearing date, and for other Orders as the Court deems appropriate.

Respectfully submitted,

Law Office of Karl G. Johnson, Jr., P.C.
704 West 9th Street
Austin, Texas 78701
(512) 482-9113
(512) 482-9114 (telefax)
karl@kjlawfirm.com

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.