

Procedure to Process and Pay Third Party Claims and/or Liens

I. INTRODUCTION

Throughout the claims process, DHCC will receive claims and/or liens ("Third Party Claims") asserted by attorneys, creditors, governmental agencies, or other third parties ("Third Party Claimants") against the payments to be paid by the Claims Administrator to eligible Claimants. The Claims Administrator only honors Third Party Claims that are validly-enforced according to all applicable state and federal laws. We cannot honor a Third Party Claim after the Claimant receives a Settlement Payment.

II. RECEIPT AND ANALYSIS OF THIRD PARTY CLAIMS

The Claims Administrator will review each Third Party Claim received to determine the appropriate course of action.

- **A.** Acknowledgment: After receiving a Third Party Claim, we will issue an acknowledgment and a request for more complete information, if necessary, to the Third Party Claimant. If the Third Party Claimant fails to respond to that request within 20 days, we will disallow the attempted Third Party Claim and will not withhold Settlement Payment funds or take any other action related to that particular Third Party Claim.
- **B.** *Third Party Claim Validity Assessment:* If the Third Party Claim contains sufficient information for us to identify the Settlement Program Claimant, we will analyze the validity of the asserted Third Party Claim. We will advise the Third Party Claimant if the Third Party Claim is not validly-enforced and establish a deadline for the Third Party Claimant to enforce the Third Party Claim.
- C. Notice to Claimants and Opportunity to Object: After we send the Eligibility Notice to the affected Settlement Program Claimant, we will give the Claimant and his/her/its attorney notice of any valid Third Party Claims and provide an opportunity to dispute valid Third Party Claims with the Third Party Claimant. The Claimant will have 20 days from receipt of that notice to notify us of any objection to the Third Party Claim. If the Claimant objects to the Third Party Claim, the Claimant must contact the Third Party Claimant or seek court assistance to resolve the dispute.



III. PAYMENT OF VALID THIRD PARTY CLAIMS

- A. Undisputed Third Party Claims: If there is no dispute as to the Third Party Claim, we will deduct the Third Party Claim amount from any Settlement Payment otherwise due to the Claimant under the Settlement Agreement and, to the extent that there are sufficient funds in the Claimant's Settlement Payment, transmit such Third Party Claim amount to the Third Party Claimant in accordance with the payment instructions and/or applicable state and federal law. We will pay the balance of the Settlement Payment to the Claimant according to the provisions of the Settlement Agreement and Court Orders regarding settlement implementation.
- **B.** *Disputed Third Party Claims*: If there is a dispute as to the Third Party Claim, we will withhold the disputed Third Party Claim amount until we receive either: (1) written confirmation from the Claimant and/or the Claimant's attorney and the Third Party Claimant that the dispute is resolved, or (2) a copy of a final, non-appealable order from a court determining the amount, if any, to be paid to the Third Party Claimant, in which case we will make further payments as required by such order and to the extent that there are Settlement Payment funds available. We will pay the balance of the Settlement Payment to the Claimant according to the provisions of the Settlement Agreement and Court Orders regarding settlement implementation.