

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

1999 MAR 31 P 1:44

IN RE:
HOLOCAUST VICTIM ASSETS
LITIGATION

This Document Relates To: All Cases

CLERK
U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

Case No. CV 96-4849 (ERK) (MDG)
(Consolidated with CV-96-5161
and CV-97-461)

**REFERRAL TO SPECIAL MASTER FOR
DEVELOPMENT OF PLAN TO
ALLOCATE AND DISTRIBUTE
SETTLEMENT PROCEEDS**

WHEREAS, subject to the approval of the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure, the parties to this litigation have entered into a Settlement Agreement (the "Settlement Agreement") on January 26, 1999, pursuant to which the Settling Defendants shall pay a total of \$1.25 billion to the funds identified in the Settlement Agreement (the "Settlement Funds") and the Settling Plaintiffs, in consideration thereof, shall settle and release all claims against the Releasees (as defined in the Settlement Agreement) and dismiss with prejudice all Filed Actions (as defined in the Settlement Agreement); and

WHEREAS, the Settlement Agreement at § 7.1 provides that the Settling Plaintiffs shall apply to the Court for the appointment of a Special Master and the Settling Plaintiffs have filed such an application; and

WHEREAS, the Settlement Agreement at § 7.1 requires the Special Master to develop a proposed Plan of Allocation and Distribution of the Settlement Fund (the "Plan of Allocation and Distribution"), employing open and equitable procedures to ensure fair consideration of all proposals for allocation and distribution; and

WHEREAS, the Plan of Allocation and Distribution proposed by the Special Master must be approved by the Court before the Settlement Fund may be distributed; and

WHEREAS, the development of a proposed Plan of Allocation and Distribution may be a complicated undertaking; and

WHEREAS, the appointment of a Special Master under Rule 53 of the Federal Rules of Civil Procedure to develop such a proposed Plan of Allocation and Distribution is warranted; and

WHEREAS, the Court was advised on December 15, 1998 that the Plaintiffs' Executive Committee had unanimously endorsed the Court's proposal to appoint Judah Gribetz as Special Master.

NOW, THEREFORE, the Court hereby ORDERS:

1. Appointment. Judah Gribetz is appointed under Rule 53 as a Special Master to develop a proposed Plan of Allocation and Distribution by which the proceeds of the settlement herein can be allocated and distributed among the Class Members in a fair and equitable manner. The appointment shall be deemed made as of December 15, 1998, the date the parties agreed to his appointment and the date he began to perform informally the duties of Special Master.

2. Plan. The proposed Plan of Allocation and Distribution shall comply with Rule 23 of the Federal Rules of Civil Procedure, and shall be submitted to the Court for preliminary approval on notice to all parties who have appeared in this action. If the proposed Plan of Allocation and Distribution is preliminarily approved, a Notice of the Plan of Allocation and Distribution will be made available to members of the Classes.

3. Time. The proposed Plan of Allocation and Distribution shall be filed with the Court

and served on all parties within six (6) months after the date of this Order, unless otherwise extended by the Court. The proposed Plan shall include a recommendation of where residual funds, if any, remaining after distribution to eligible members of the Settlement Classes (as defined in the Settlement Agreement) shall be distributed. The Special Master shall submit a draft report to counsel for the Settling Plaintiffs at least thirty (30) days before submitting the proposed Plan of Allocation and Distribution for the purposes of soliciting plaintiffs' counsel's suggestions thereon. Within two weeks after receiving the draft report, counsel for the Settling Plaintiffs shall submit their suggestions to the Special Master who shall forward them to the Court, along with his comments, if any, on counsel's suggestions.

4. Powers. The Special Master shall have the rights, powers, and duties provided in Rule 53 and may adopt such procedures as are not inconsistent with that rule or with this or other Orders of the Court. The Special Master shall have broad authority to conduct hearings and to interview or otherwise communicate with members of the Settlement Classes or their representatives concerning the factors to be included in the proposed Plan of Allocation and Distribution. The Special Master shall have the right to travel domestically or abroad to conduct such hearings or interviews and shall have the right to discuss any aspect of the allocation and distribution issues. The Special Master shall not have authority to compel settling Defendants to participate in the allocation or distribution processes.

5. Reports. The Special Master shall make findings of fact and conclusions of law with respect to the factors that are to be considered in determining eligibility and valuing a claim under the Plan of Allocation and Distribution. The report of the Special Master shall include the findings of fact and conclusions of law and the proposed Plan of Allocation and Distribution.

6. Fees and Expenses. The Special Master shall be compensated for his services on an hourly basis at a rate equal to 80% of his normal billing rate. Subject to Court Approval, the Special Master may employ other persons including lawyers, consultants, experts or claims administrators as the Special Master deems advisable (other than persons serving as counsel for or otherwise representing the settlement classes or the World Jewish Restitution Organization) to assist him. Such persons shall be under the supervision and control of the Special Master and shall serve at his pleasure. Subject to Court approval and after giving notice to counsel for the parties, the Special Master's fees and those of the persons he employs to assist him shall be paid on a periodic basis from the Escrow Fund (as defined in the Settlement Agreement), together with reimbursement for reasonable expenses.

7. Agreement and Certification. The Special Master shall file a sworn statement with the Clerk of the Court agreeing to serve as Special Master in accordance with this reference and affirming that neither the Special Master nor any of the members of his firm have any conflict of interest concerning the matter.

Dated: March 31, 1999

A handwritten signature in cursive script, reading "Edward R. Korman". The signature is written in dark ink and is positioned above a horizontal line.

Edward R. Korman
United States District Court