

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
ANDERSON DIVISION

Thrift Development Corporation,

Plaintiff,

v.

American International Group, Inc.;
Chartis, Inc., and American Home Assurance Co.,

Defendants.

Civil Action No. 8:12-cv-00861-BHH

**DECLARATION OF MICHAEL P. THORNTON IN SUPPORT OF
PLAINTIFF'S PETITION FOR AWARD OF ATTORNEYS' FEES
AND EXPENSES AND SERVICE AWARD**

I, Michael P. Thornton, declare:

1. I am a Partner in the Thornton Law Firm, LLP ("TLF"), and I am one of the attorneys appointed as Class Counsel in this case.
2. I submit this declaration in support of Plaintiff's Petition for Award of Attorney's Fees and Expenses and Service Award. I have personal knowledge of the matters set forth herein and could competently testify thereto.
3. TLF has extensive experience in sophisticated litigation brought locally, nationally, and internationally. TLF was founded in 1978, and was in the forefront of the representing asbestos victims in New England. It has since grown to be the largest plaintiffs' personal injury firm in New England. In addition to representing more than 10,000 workers and their families injured by dangerous products and toxic materials, the firm handles complex insurance litigation. TLF has also been active in class action litigation involving medical monitoring for tobacco users, financial fraud litigation, including class actions involving

violations of federal securities, consumer-protection and whistleblower laws in federal and state courts throughout the country, securities litigation on behalf of public authorities, credit card data security, automotive design, and litigation on behalf of public and private pension funds against the banking industry.

4. TLF has been involved in all aspects of the litigation and settlement of this case. The primary TLF attorneys who have worked on this matter are my Partner David J. McMorris, Associate Brian J. Freer, Christian Uehlein, presently of-counsel to TLF, and I. Attorney Christian Uehlein contributed in all stages of this case, including initial investigation and research into Defendants' claims handling practices, insurance contracts and applicable rules and regulations, all phases of legal briefing and motion practice, affirmative and responsive written discovery, deposition practice, case strategy decisions, and mediation and settlement. Attorney Brian J. Freer contributed to legal and factual research, assistance with briefing and motion practice, affirmative and responsive discovery, and preparation for deposition practice. Attorney David J. McMorris shared oversight responsibilities of TLF's contributions to this case, and participated directly in deposition practice, case strategy decisions, and settlement. I shared oversight responsibilities of TLF's contributions to this case with attorney McMorris, and participated directly in case strategy decisions, and mediation and settlement of this matter.

5. The qualifications and professional backgrounds of the TLF attorneys involved in this litigation, including myself, are set forth in the firm's resume, which is attached to this declaration as Exhibit 1, which describes some of the firm's experience in class action and other complex litigation. As set forth therein and as stated above, TLF represents plaintiffs in a wide array of practice areas, including insurance class action litigation.

6. Class Counsel conducted significant discovery and an extensive investigation

regarding the issues in this case both before and after filing the complaint. Prior to filing the complaint, Class Counsel conducted a thorough investigation, including reviewing and analyzing Defendants' insurance contracts and applicable state regulations, governing rules promulgated by the National Council on Compensation Insurance ("NCCI"), and insureds' billing histories. After the lawsuit was filed in 2012, Class Counsel conducted extensive ongoing factual investigation and legal research regarding the issues in the case.

7. Class Counsel conducted extensive discovery in this case, including (1) reviewing nearly 90,000 documents (consisting of over 800,000 pages) produced by Defendants, NCCI, and the South Carolina Second Injury Fund ("SCSIF"); (2) analyzing voluminous data regarding third-party recoveries and unit statistical information; and (3) deposing 12 senior AIG executives and employees, 2 senior personnel at the SCSIF, and one senior personnel at NCCI. Class Counsel also worked extensively with their experts on both liability and class damages issues and took the depositions of Defendants' designated expert.

8. Class Counsel litigated several motions in this case, including a Rule 12(b)(6) motion to dismiss, several motions to compel, a motion for class certification, a motion for summary judgment, and a motion to exclude one of Plaintiff's experts. Some of these motions, on their own, could have defeated Plaintiff's claims or restricted the scope of the class. Together, the motions presented a daunting task and risky challenge to Class Counsel, raising numerous challenging issues. Class Counsel spent significant time researching, analyzing, and briefing the issues raised by these motions, as well as strategizing and preparing for argument.

9. Prior to the Court ruling on the pending motions for class certification, summary judgment, and the exclusion of Plaintiff's expert, the parties settled the case. The settlement was the result of extensive arm's-length and hard fought negotiations. On July 14, 2014, the parties

engaged in a full-day mediation session with experienced and well-respected mediator David M. Brodsky of Brodsky ADR LLC. While the parties did not reach an agreement during this session, the parties continued to negotiate a potential resolution through Mr. Brodsky, and were ultimately able, with the assistance of Mr. Brodsky, to reach an agreement in principle regarding the terms of a class-wide settlement. After an agreement in principle was reached on the merits, the parties, with the assistance of Mr. Brodsky, reached an agreement in principle regarding Class Counsel's request for attorneys' fees and expenses. Thereafter, the parties worked extensively on memorializing their agreement in a final written settlement agreement and on preparing the class notice, plan of allocation, and other exhibits to the Settlement. Throughout the process, negotiations have been arms-length and hard-fought.

10. At all times, Plaintiffs and the defendants were represented by well-qualified counsel with significant experience litigating and settling class actions and other complex cases. Class Counsel made every reasonable effort to prevent the duplication of work or inefficiencies that might have resulted from having multiple firms working on this matter. Assignments were made for specific tasks and activities so that it was clear which firm and personnel had primary responsibility for each task.

11. TLF was involved in every aspect of this case, including research, drafting the complaint, drafting briefs, developing case strategy, developing discovery plans, propounding written discovery, reviewing documents, conducting depositions, meeting and conferring with defense counsel, arguing motions and preparing for same, presenting Plaintiffs' positions before the Court, and working on the class settlement. With respect to the responsibilities and tasks undertaken by TLF in this case, TLF took every reasonable effort to avoid inefficiencies or duplication of work. Appropriate attorneys and staff were assigned to specific tasks and

activities with clear instruction regarding who was responsible for each task.

12. I was directly involved with many aspects of this case along with my partner David J. McMorris, and we shared direct oversight of other attorneys working on this case including Brian J. Freer, and Christian Uehlein, who are responsible for the majority of TLF's hours on this case. I am knowledgeable of additional staffing and activity conducted on Plaintiff's and the class's behalf by TLF. Based on my activities and oversight in this case, as well as my review of billing records maintained in this case, I have personal knowledge of the time attorneys and support professionals at TLF spent rendering services on behalf of Plaintiff and the class, the hourly rates charged for those services, and the necessary costs incurred in the normal course of this litigation.

13. The considerable time and resources spent by TLF working on this case could have been spent on other matters. Throughout the litigation, the active prosecution of this case has consumed my own billable time that could otherwise have been spent on other fee-generating work. In addition to my own time, this case has also required considerable work by other lawyers at TLF that could have otherwise been spent on other fee-generating work. Moreover, the time that TLF has spent on this litigation has been completely contingent on the outcome. TLF has not been paid for any of its time spent on this litigation, nor has it been reimbursed for any of its expenses incurred in this litigation.

14. TLF's billing records are based on routine, contemporaneous timekeeping in increments of one-tenth hour. The rates and time of TLF professionals who billed on this case are as follows:

Timekeeper	Position	Total Hours	Rate/Hour	Total
Michael P. Thornton	Partner	84.8	\$850	\$72,080
David J. McMorris	Partner	159.0	\$850	\$135,150
Christian Uehlein	Of Counsel	787.7	\$400	\$315,080
Brian J. Freer	Associate	262.1	\$400	\$104,840
Total		1293.6		\$627,150

15. In addition to this case, TLF is also counsel of record in another case against the same defendants involving the same course of conduct pending in the District of Massachusetts captioned *Composite Co. v. American Int'l. Group, Inc.*, No. 1:13-10491-FDS (D. Mass.). TLF's attorneys have also rendered many hours of legal service in that case. While much of the work performed in both this case and the Massachusetts case can be attributed to one or the other case, much of the work benefited both cases. Where the work performed benefited both cases, TLF's attorneys have allocated the time between each of the two cases, respectively. The hours set forth in the table above exclude the hours attributed to or allocated to the Massachusetts case. In addition, because the interests of the class were not directly advanced by the fee application process, TLF's attorneys have excluded the time spent on that activity from the hours above.

16. TLF is not filing its actual billing time records with this motion, nor posting them on the website but is prepared to provide the records to the Court for in camera review upon request.

17. In my judgment, and based on my years of experience, the number of hours expended and the services performed by the attorneys at my firm were reasonable and expended for the benefit of Plaintiff and the class in this case.

18. TLF also incurred expenses in the amount of \$112,207.22, as of September 25, 2015. These expenses are costs that commonly benefitted the class, including filing fees, court

reporters, consulting and expert services, reference materials and research, traveling and meeting expenses, postage and delivery charges, and document handling costs such as copying, scanning and facsimile transmissions. Based on my knowledge and experience, all of these expenses were necessary and reasonable and incurred for the benefit of Plaintiff and the class in this case. The following table sets forth TLF's expenses by category:

Filing Fees	\$515.00
Consulting and Expert Services	\$90,196.43
Reference Materials and Research	\$1,455.94
Traveling and Meeting Expenses	\$19,665.15
Court Reporting	\$157.50
Copying, Scanning, and Facsimile	\$217.20
Total	\$112,207.22

19. The foregoing expenses were incurred solely in connection with this litigation and are reflected on TLF's books and records as maintained in the ordinary course of business. These books and records are prepared from invoices, receipts, expense vouchers, check records and other records, and are an accurate record of the expenses incurred in this case. The rates charged for all internal expenses incurred by my firm (e.g., photocopying and scanning) are the same irrespective of whether the case is billable or contingent. At the Court's request, TLF can provide a detailed report itemizing each expense item charged to the case.

[SIGNATURE PAGE FOLLOWS]

I declare under penalty of perjury under the law of the State of South Carolina that the foregoing is true and correct.

/s/ Michael P. Thornton
Michael P. Thornton

September 25, 2015
Boston, Massachusetts

EXHIBIT 1

THORNTON LAW FIRM LLP

THORNTON LAW FIRM LLP, was founded in 1978, and was in the forefront of the battle to bring justice to asbestos victims in New England. It has since grown to be the largest plaintiffs' personal injury firm in New England. In addition to representing more than 10,000 workers and their families injured by dangerous products and toxic materials, the firm handles complex insurance litigation as well as financial fraud litigation, including class actions involving violations of federal securities, consumer-protection and whistleblower laws in federal and state courts throughout the country.

The firm's efforts have focused on cutting edge litigation involving public health and corporate misconduct. For example, Thornton Law Firm LLP led a team of lawyers representing the Commonwealth of Massachusetts in a landmark lawsuit against the Tobacco industry that resulted in a settlement which will pay Massachusetts hundreds of millions of dollars each year for over two decades. In addition, the firm represents other states and municipalities against the lead industry, children with birth defects caused by chemical exposure, owners of property damaged by toxic waste, and individuals killed or injured in work related incidents. Thornton Law Firm LLP represents whistleblowers in False Claims Acts cases in state and federal court, and currently represents whistleblowers in cases brought against large custodial banks that executed foreign exchange transactions for public pension systems. Thornton Law Firm LLP has also been active in class action litigation involving medical monitoring for tobacco users, insurance fraud, securities litigation on behalf of public authorities, credit card data security, automotive design, and litigation on behalf of public and private pension funds against the banking industry. Currently, Thornton Law Firm LLP is co-counsel/counsel in the following class action cases: *Donovan, et.al. v. Phillip Morris USA Inc.*, C.A. No. 06-12234 (USDC, Mass.); *Arkansas*

Teacher Retirement System v. State Street Corporation, et al., C.A. No. 11-110230 (USDC, Mass.); *Raymond McDow and Roseanne Brooks, Individually and as representatives of all other similarly situated v. NECC, et al.*, No. 12-12112 (USDC, Mass.), transferred to MDL 2419; *Henderson, et.al v. Mitsubishi Heavy Industries, et al.*, 13-12649, (USDC, Mass.); *Composite Company, Inc., Individually and on behalf of all others similarly situated, v. American International Group, Inc.; Chartis, Inc.; and American Home Assurance Co.*, C.A. No. 13-10491 (USDC, Mass.); *Travelers Insurance Company Asbestos Settlement Class Action*, (USDC, S.D.N.Y); *International Union of Operating Engineers v. The Bank of New York Mellon Corp.*, No. 12-CV-3067(USDC, S.D.N.Y); *Thrift Development Corp. v. AIG, et al*, C.A. No 12-00861 (USDC, S.C.); *Reliable Roofing and Sheet Metal, LLC. Individually and on Behalf of All Others Similarly Situated v. CNA Insurance Companies Inc., et al.*, C.A. No. 13-0269-B, (Mass. Suffolk Sup. Ct); *Berry, et al. v. Northside Carting, Inc. et al.*, C.A. No. ESCV2010-2513C (Mass. Essex Sup. Ct).

Thornton Law Firm LLP is active in supporting pioneering medical research to treat and cure environmentally caused cancer, and in promoting legislation to protect workers and their legal rights.

THE FIRM'S ATTORNEYS APPEARING IN THIS MATTER

MICHAEL P. THORNTON Michael Thornton is managing partner and co-founder of Thornton Law Firm LLP. A nationally recognized expert on toxic tort litigation, Mr. Thornton graduated from Dartmouth College and Vanderbilt Law School. In the 1970's he successfully undertook the representation of a number of shipyard and construction workers who had developed asbestos-related diseases. Over the years, the firm has grown to become the largest

firm in the Northeast representing victims of asbestos and other toxic materials.

Mr. Thornton practices in the areas of class actions, Attorney General litigation, benzene, toxic substance and occupational disease claims, birth defects linked to chemicals, childhood lead poisoning, construction and jobsite accidents, mesothelioma and asbestos claims, pharmaceutical drug and medical device litigation, product liability and personal injury, toxic tort and environmental litigation, wage and hour, and whistleblower litigation.

During the past decade, Mr. Thornton has lead the firm to support many charitable causes; the most visible and important project involves cancer research. Mr. Thornton was approached by clinicians and researchers at Brigham and Women's Hospital who were interested in studying mesothelioma, a then untreatable and invariably fatal form of asbestos related cancer. After making a multiyear commitment from his own firm, Mr. Thornton helped to recruit several other donors. The program, now in its seventh year, has made groundbreaking strides in cancer research generally, and has helped to revolutionize the treatment of mesothelioma, leading to longer survival and better quality of life for victims of this disease.

Mr. Thornton also responded to a call to help establish a place for the families of mesothelioma victims to stay, as the financial impact of staying in hotels can be devastating. The Thornton House was opened in 2008 and houses up to nine families at a time.

Mr. Thornton is a member of the Massachusetts, New Hampshire, and Maine bars. He has published a number of articles on legal subjects and has lectured at the Harvard School of Public Health, Harvard Medical School, and Yale Law School.

DAVID J. McMORRIS Mr. McMorris is a trial lawyer and directs Thornton Law Firm LLP's workplace injury practice. He is a member of the Massachusetts and New York bars and the American Association for Justice. Mr. McMorris' trial experience has included several jury

verdicts in cases involving products liability, construction accidents, toxic exposures, lead paint poisoning, and asbestos exposure. Mr. McMorris is appointed by the Superior Court of Massachusetts and the federal district court to serve as plaintiff's liaison counsel in asbestos litigation, and has served in those positions since 1993. He has an active workers compensation practice, representing employees for claims arising out of occupational injuries. He is a graduate of the State University of New York and of Suffolk University Law School. He has been a guest lecturer on latent occupational disease and complex litigation at Tufts University and Boston University Law School.

CHRISTIAN F. UEHLEIN Mr. Uehlein, of counsel at Thornton Law Firm LLP, is a graduate of Colorado College (B.A. 2002) and New England School of Law (J.D. 2006). He was admitted to the Massachusetts Bar in 2006 and the United States District Court for the District of Massachusetts in 2007. Since joining Thornton Law Firm LLP in 2006, Mr. Uehlein has focused his practice on insurance class action litigation, as well as toxic tort litigation representing asbestos victims, children born with birth defects and victims of other chemical exposures. Mr. Uehlein's experience in toxic tort litigation includes mass tort and other forms of consolidated complex litigation.

BRIAN J. FREER Mr. Freer graduated from Villanova University (B.S. Finance, 2008, cum laude) and New York Law School (J.D. 2011). Mr. Freer is admitted to the Massachusetts Bar and New York Bar and concentrates his practice in the Firm's personal injury, products liability, financial and insurance fraud areas, as well as asbestos and mesothelioma claims.