

VIOXX SETTLEMENT PROGRAM CLAIMS ADMINISTRATION PROCEDURE			
Procedure Number	2009-3	Effective Date	June 8, 2009
Subject	Procedure for Transferring Settlement Payments into Vioxx 468B Sub-Fund and Issuing Payments out of Vioxx 468B Sub-Fund		

1. Purpose of this Procedure. This Procedure defines the steps for transferring Interim, Fixed, Final or Extraordinary Injury Settlement Payments (collectively referred to as “Settlement Payments”) for Eligible Claimants into and out of the Vioxx 468B Holding Settlement Sub-Fund (“Sub-Fund”). The Sub-Fund is an account treated as a Qualified Settlement Fund (“QSF”) pursuant to Section 468B of the Internal Revenue Code of 1986, as amended. Primary Counsel and Claimants can use the Sub-Fund to house Settlement Payments for a particular Claimant while Primary Counsel or the Claimant take steps to arrange a structured settlement for the Claimant; to establish a special needs trust or other facility to receive the Settlement Payments for a Claimant; or to hold Settlement Payments that Primary Counsel are not yet ready to disburse and cannot hold in their own escrow accounts.

2. Definitions and Section References. Any capitalized terms used in this Procedure and not expressly defined in this Procedure shall have the meanings given to them in the Settlement Agreement. References to Sections are to the sections of this Procedure, unless otherwise specified.

3. Transferring Settlement Payments into the Sub-Fund.

- (a) Upon receipt of an eligible Claimant’s Notice of Points Award, and in advance of the issuance of the Settlement Payments under the standard payment procedures, a Claimant’s Primary Counsel may elect to have the Settlement Payments transferred into the Sub-Fund. To make such an election, Primary Counsel must complete an *Election for Settlement Payments to be Transferred to the Vioxx 468B Holding Settlement Sub-Fund (Form V4151)* and submit the completed Form V4151 to the Claims Administrator in electronic or hard copy format. The Form V4151 is available on a Primary Counsel’s Vioxx Portal and is also available under the FORMS section of the general www.browngreer.com/vioxxsettlement website. Primary Counsel must complete and submit a separate Form V4151 for each Claimant for whom Primary Counsel is making this request.
- (b) Upon receipt of a completed Form V4151 Election Form, and after making a determination that the Claimant in question is eligible for issuance of Settlement Payments in accordance with the terms of the Settlement Agreement, the Claims Administrator shall process the Settlement Payments for the Claimant in the same manner as would otherwise be done in accordance with the Claims Administration Procedure for issuing Settlement Payments (CAP 2008-9). However, rather than instructing the Escrow Agent to issue the funds to the Claimant’s Primary Counsel, the Claims Administrator will instruct the Escrow

Agent to transfer the Settlement Payments to the Sub-Fund, where they will remain until such time as the Claims Administrator provides further instructions to the Escrow Agent.

- (c) The Claims Administrator will provide Notice to Primary Counsel of the Claimants for whom funds have been transferred into the Sub-Fund in the same manner as the Claims Administrator would otherwise provide Notice to Primary of any the issuance of Settlement Payments in accordance with the Claims Administrator Procedure for issuing Settlement Payments (CAP 2008-9).
- (d) Amounts deposited into the Sub-Fund for any Claimant shall not bear interest and shall not be segregated from other funds in the Sub-Fund during such period as they remain in the Sub-Fund.


4. *Issuing Settlement Payments out of the Sub-Fund.*

- (a) To arrange for the distribution of Settlement Payments out of the Sub-Fund, a Claimant's Primary Counsel must complete an *Election for Settlement Payments to be Issued out of the Vioxx 468B Holding Settlement Sub-Fund (Form V4152)* and submit the completed Form V4152 to the Claims Administrator in electronic or hard copy format. The Form V4152 is available on a Primary Counsel's Vioxx Portal and is also available under the FORMS section of the general www.browngreer.com/vioxxsettlement website. Primary Counsel must complete and submit a separate Form V4152 for each Claimant for whom Primary Counsel is making this request.
- (b) Upon receipt of a completed Form V4152 Election Form, the Claims Administrator shall process the Settlement Payments for the Claimant in the same manner as would otherwise be done in accordance with the Claims Administration Procedure for issuing Settlement Payments (CAP 2008-9), with the exception being that instead of instructing the Escrow Agent to issue the funds to the Claimant's Primary Counsel, the Claims Administrator will instead instruct the Escrow Agent to issue the Settlement Payments to the Payees listed on the Form V4152. These Payees may include an insurance or financial services company with whom the Claimant has entered into a structured settlement arrangement.
- (c) No Settlement Payments shall be issued out of the Sub-Fund to a Primary Counsel and/or other Payee on any claim until the Claims Administrator has received a completed Form V4152. Additionally, no Settlement Payments shall be issued on a claim payable for a Testate Vioxx user Claimant/Derivative Claimant, or an Intestate Vioxx user Claimant/Derivative Claimant until the Claims Administrator has also received a completed *Primary Counsel Acknowledgment of Obligations Regarding Payment Distribution (Form V2079)* (Exhibit C to CAP 2008-1) (where applicable).

5. Remaining Payment Processes to be Handled in Accordance with CAP 2008-9.

All remaining aspects of the process of issuing Settlement Payments out of the Sub-Fund, such as the Notice provided to Primary Counsel of the payments; handling checks returned as undeliverable; check re-issue requests, and check templates to be used, shall be handled in the same manner as the Claims Administration Procedure for issuing Settlement Payments (CAP 2008-9).

APPROVED:

By:  Date: June 12, 2009
Counsel for Merck

Name: Douglas R. Marvin

By: _____ Date: _____
NPC Representative

Name: Andy Birchfield

By: _____ Date: _____
Claims Administrator

Name: Orran L. Brown

CAP 2009-3

5. *Remaining Payment Processes to be Handled in Accordance with CAP 2008-9.*

All remaining aspects of the process of issuing Settlement Payments out of the Sub-Fund, such as the Notice provided to Primary Counsel of the payments; handling checks returned as undeliverable; check re-issue requests, and check templates to be used, shall be handled in the same manner as the Claims Administration Procedure for issuing Settlement Payments (CAP 2008-9).

APPROVED:

By: _____
Counsel for Merck

Date: _____

Name: Douglas R. Marvin

By: 
NPC Representative

Date: 6/8/09

Name: Andy Birchfield

By: 
Claims Administrator

Date: 6/15/09

Name: Orran L. Brown