

## **Solutions for Small Businesses Harmed by BP Disaster? Let's Redefine "Small Business"**

February 2, 2011

The Associated Press reported that BP has finally settled up on a claim. That's one claim of the 91,000 claims outstanding. According to the report, the claim settled for \$10 million. In fact, BP intervened on the part of the claimant to get the settlement approved by Kenneth Feinberg who is in charge of Gulf Coast Claims Facility.

One might assume that this act of generosity and corporate responsibility spells hope to the other 91,000 BP Gulf disaster victims. Not so fast. The settlement was with one of BP's corporate partners according to the Associated Press report. BP will not disclose the identity of the company who receives the \$10 million settlement.

Remarkably, the settlement was not reviewed by Kenneth Feinberg. Instead, the settlement was reached between BP and its partner with the Gulf Coast Claims Facility simply signing off on it. Mr. Feinberg's law firm, whose website list among its clients such notable energy and chemicals firms as Exxon, Shell, Conoco, Dow and Dupont, has received \$850,000 in fees to administer the fund and who is negotiating a new, and presumably even more financially favorable fee structure.

Those not in a business relationship with BP or the oil industry have fared far worse. About half of the 484,000 claims have been flat denied. There is an appellate review process. Of the 264 appeals processed so far, each and every one has been denied.

There is a bright side to the whole process. Qualified individual victims, which apparently is no easy hurdle, can opt for a quick settlement of \$5000. Businesses can opt for a quick \$25,000. Naturally, with these settlements, comes a full release from all claims both present and future. Lets see how these settlements turn out for the claimants in 10 years when both foreseen and unforeseen medical conditions begin to manifest.

In a nutshell, while individuals their families, and small businesses alike throughout the Gulf Coast are left with the choice of quick cheap settlement for financial survival, those corporations associated with BP will make out like bandits simply shifting the money from one pocket to another.

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Corporations and Tort Reformers have long ago shown their disdain for individual plaintiffs and their lawyers. So it will come as no surprise to anybody when they begin attacking the individual victims and their families for their audacity in seeking compensation for their injuries.

It may come as a surprise, at least to the small businesses of the Gulf Coast, that no cavalry will arrive in their defense. The true colors of Tort Reform shine no more brightly than here. The small business victims along the Gulf Coast would do well not to hold their breath awaiting the advocacy of the U.S. Chamber of Commerce or the many so-called "Small Business" advocacy groups that constantly tout Tort Reform.

Instead, they should brace themselves for the loud and hollow cry for the protection of small business as the suits for individual victims and their families move through the litigation process. These cries will grow louder and louder as the litigation proceeds. There will be no mention of the true small businesses toppling by the hundreds.

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