



Corporate Trust **CONNECTION**

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U.S. Bank Handles High-Profile Escrow Deal

U.S. Bank Corporate Trust Services acts as an escrow agent in a wide range of transactions, nationally and internationally. Recently, U.S. Bank was named escrow agent for several high-profile legal settlements, including one with Merck & Co. Inc. for its drug Vioxx. The deal is substantial in terms of money and potential number of claimants to be paid.

The Vioxx Settlement

In November 2007, Merck and attorneys representing those consumers who claimed that their use of Vioxx caused a heart attack (myocardial infarction) or ischemic stroke reached an agreement that will distribute \$4.85 billion to claimants. The settlement was divided into two classes: \$4 billion for claims relating to heart attacks and \$850 million for stroke claims.

As escrow agent, U.S. Bank Corporate Trust Services takes in settlement proceeds from Merck, holds them in escrow, invests them and makes distributions to qualified claimants. The qualification of claimants is handled by the claims administrator, a law firm that processes the claims paperwork and notifies U.S. Bank what payments to make each month. Initial funding for the payments to claimants is

anticipated to take place during the second quarter of this year.

A Complex Case

“We anticipate that this deal will involve tens of thousands of claimants,” says Terry McRoberts, executive vice president, U.S. Bank Corporate Trust Services. “Because of the way the approvals are processed, claimants will receive multiple payments. By the time all claims are paid, we expect to make well over 100,000 payments to claimants and other third parties.” The entire process is expected to take a number of years.

“Adding further complexity is the fact that Merck will be making additional deposits to the escrow account to pay the claims as they’re approved,” McRoberts continues. Merck will make an initial deposit for the benefit of claimants of \$500 million, and will make further deposits in up to \$250 million increments.

“As escrow agent for this transaction, we have to handle the needs of several parties in this deal,” explains Tom Tabor, vice president, U.S. Bank Corporate Trust Services. “We have to be responsive to Merck, the claimants, claimants’ counsel and the claims administrator. We must anticipate the needs of each party.”

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Did You Know?

Here are some of the conferences that U.S. Bank Corporate Trust Services will attend over the next several months:

Maryland Government Finance Officers Association (MDGFOA)
June 5-6, Ocean City, MD

California Association of County Treasurers and Tax Collectors
June 10-13, Long Beach, CA

Government Finance Officers Association (GFOA) - National
June 15-18, Ft. Lauderdale, FL

Economic Development Association of Minnesota (EDAM) Summer Conference
June 18-20, Brainerd, MN

National Council of State Housing Agencies Conference (NCSHA)
June 23-July 2, Miami Beach, FL

Idaho Association of Cities
June 25-27, Boise, ID

Florida Association of Local Housing Finance Authorities
July 16-19, Orlando, FL

Virginia Bar Association Summer Meeting
July 17-19, Warm Springs, VA

Texas Housing Conference 2008 (TAAHP)
July 28-30, Austin, TX

Arkansas Government Finance Officers Association
July 30 - Aug. 1, Little Rock, AR

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usbank
Five Star Service Guaranteed 

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Experience Counts

The experience of U.S. Bank in handling large escrow transactions played a role in its selection as escrow agent. “We have the back-office infrastructure in place to ensure that payments are sent and received as planned, even when making thousands of payments a month, as we are in this case,” Tabor states. “In addition, our relationship managers can handle complex escrows and turn them around quickly.” Escrow deals typically provide very little time to open the accounts.

We Provide Escrow Solutions

At U.S. Bank Corporate Trust Services, we provide services to meet escrow requirements resulting from indemnifications, mergers and acquisitions, litigation settlements, contractor retention/construction and private placements/subscriptions. For information about escrow agency and other services U.S. Bank Corporate Trust Services provides, contact your account manager.

Complete Escrow Services Available to You

You can put the experience of U.S. Bank Corporate Trust Services to work for you on any of your escrow transactions including:

- Merger and acquisition
- Private placement/subscription
- Indemnification
- Contractor retention/construction
- Class action/litigation/structured settlement
- Software licensing/source code
- Government and environmental protection
- 1031 Exchange depository
- Franchise

Our specialized escrow services include exchange agent, tender agent, paying agent and custodian. Contact U.S. Bank the next time you need an escrow professional.

What Will You Do with Your Tax Rebate Check?

The Recovery Rebates and Economic Stimulus for the American People Act is in full swing, and the rebates checks are pouring in! If you choose to invest your rebate dollars, U.S. Bank offers a wide range of accounts designed to help you reach your short- and long-term financial goals. Here’s a sample list of some products to consider:

- **Standard Savings.** An FDIC-insured savings account that offers competitive interest rates on low account balances; a great option for first-time savers or anyone who wants convenient access to their money while it earns interest.
- **Money Market Accounts.** Our money market accounts are FDIC-insured and pay a competitive money market interest rate with a no minimum balance requirement.
- **Certificates of Deposit.** Protected by FDIC insurance, this account provides low-risk diversification in your investment portfolio and retirement assets.
- **Health Savings Account (HSA).** A Health Savings Account is an account that you can put money in to save for future medical expenses for yourself or your covered dependents, on a federal tax-free basis. The HSA is FDIC-insured and pays money market rates.
- **Retirement Money Market Account.** This FDIC-insured savings account features tiered interest rates and tax advantages when held in an IRA.

Contact your local U.S. Bank branch or call a 24 hour banker at 800-771-2265 for more information.

Member FDIC



U.S. Bank Promotes Going Green

U.S. Bank has joined forces with the Pay It Green Alliance. The alliance was formed to encourage financial and consumer billing industries to promote alternatives to paper, and is comprised of several industry leaders. Our retail customers have a number of options for paperless banking, and our Corporate Trust Services customers can download reports and information, rather than receive printed reports, through TrustNow Essentials.

How Can Paperless Banking Help?

Save a tree – or 2 million. If 20% of all households switched to electronic statements, billing and payments, 1.8 million trees would be saved each year.

Reduce clutter. Twenty percent of households abstaining from paper statements results in the conservation of almost 100 million pounds of paper.

Lessen greenhouse gas. If that 20% chooses to not have paper bills, checks and statements transported to them, greenhouse gases would be reduced by nearly 2 million tons per year.

Conserve fresh water. Fresh water is one of the earth's greatest natural resources but is unfortunately one of the scarcest. If 20% of households banked green, up to 1.4 billion gallons of water could be saved per year.

Secure safety. Paying and receiving bills electronically helps you organize bills and reduces your risk of identity theft.

Save energy and fuel. Just 20% of households making the switch to paperless banking can save more than 103 million gallons of fuel per year.

You Can Receive This Newsletter by E-Mail

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Facts provided by payitgreen.org.

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Volunteerism Lives at U.S. Bank

U.S. Bank is not built solely on products and services – our talented people are the greatest asset of the bank. Employees at every level and department raise the bar and drive the company's success. They make a difference. And making a difference doesn't stop there. Thousands of U.S. Bank employees donate their time and expertise in support of nonprofit organizations, thereby making a positive difference in their communities.

Groups of local employees work together to support causes such as the Special Olympics, Junior Achievement, and home building and painting through Habitat for Humanity. In addition, employees also serve on boards of directors of nonprofit organizations, volunteer at schools, provide basic financial education training and volunteer individually.

Each year employees are recognized for exceptional volunteer service with the U.S. Bank Five Star Volunteer Award. U.S. Bank recognized 135 outstanding volunteers for 2007 and contributed a total of \$101,500 to nonprofit organizations in their honor.

U.S. Bank is also a proud co-sponsor of Community Build Day in partnership with The Financial Services Roundtable. Community Build Day unites U.S. Bank employees in more than 100 cities in 31 states as they volunteer time to help make their communities

better places to live, play and work. Employee volunteers participate with a variety of projects including school supply drives, blood drives, food drives and home repair projects, as well as walking/running events to raise money for local community organizations.

We hope you share our pride in our employees for making such a profound difference in our communities!



Spotlight on the Portland Office

Portland, Ore., enjoys a reputation for livability and environmental awareness, boasting a light-rail system that's become a model for other cities. Small in size but large in impact, the U.S. Bank Corporate Trust Services office in Portland fulfills a growing need for corporate trust services in the area.

Corazon Gruenberg, Linda McConkey and Cheryl Nelson, who report to Dyan Huhta, vice president, are the three account managers in the Portland office. Larry Bell, a default administrator for Corporate Trust Services customers also operates from this location.

"The Portland office offers a complete range of corporate trust services as well as business escrow services, and has developed some niche products," Huhta says. "We handle trustee, registrar and paying agent duties for a number of bonding issues for building continuing care retirement communities. We also handle Native American deals, low-income housing financings, transactions for several energy companies and have enjoyed a long-term relationship with the Oregon Housing and Community Services Department."

The Portland account managers each have more than 20 years of experience in corporate trust. "They are exceptional performers who set the bar high for customer service," Huhta says. "They have the experience and expertise to handle a broad range of transactions, but it is our account managers' responsiveness and flexibility that creates lasting and growing relationships."

"This group is also actively involved in the municipal bond industry, attending and participating in conferences and seminars," Huhta adds. "Our customers benefit because the account managers stay on the cutting edge of trends in the industry."



Members of the U.S. Bank Corporate Trust Services office in Portland are ready to serve you, rain or shine!

If you're in the Portland area, be sure to hop on the light rail and stop by the U.S. Bank Corporate Trust Services office. If you have questions about any of the services we can provide, please contact your account manager.

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Comments and suggestions for the newsletter are welcome and should be forwarded to Jessica Johnson, *Corporate Trust Connection*, U.S. Bank Corporate Trust Services, (651) 495-3928 (phone) or marketing.corporatetrust@usbank.com (e-mail). For more information, visit our Web site at usbank.com/corporatetrust.

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