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To: Interested Parties

From: Lake Research Partners

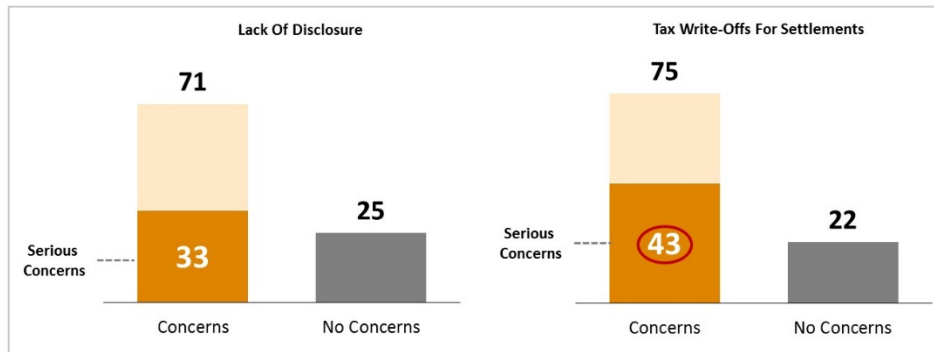
Re: Public backlash against out-of-court financial settlements

Date: April 2, 2014

A recent nationwide survey¹ shows that Americans have significant concerns about the way out-of-court financial settlements between corporations and federal agencies are currently regulated, and substantial majorities across party lines would support legislation to increase disclosure requirements and restrict corporations' use of out-of-court settlements as tax deductions.

The Status Quo is Cause for Concern

Americans express a high level of concern about two important but not widely known aspects of out-of-court financial settlements – namely that federal agencies are not required to disclose the terms of these settlements to the public (71% total concerns, 33% serious concerns) and that corporations are often allowed to write off these financial settlements as tax-deductible business expenses (75% total concerns, 43% serious concerns).



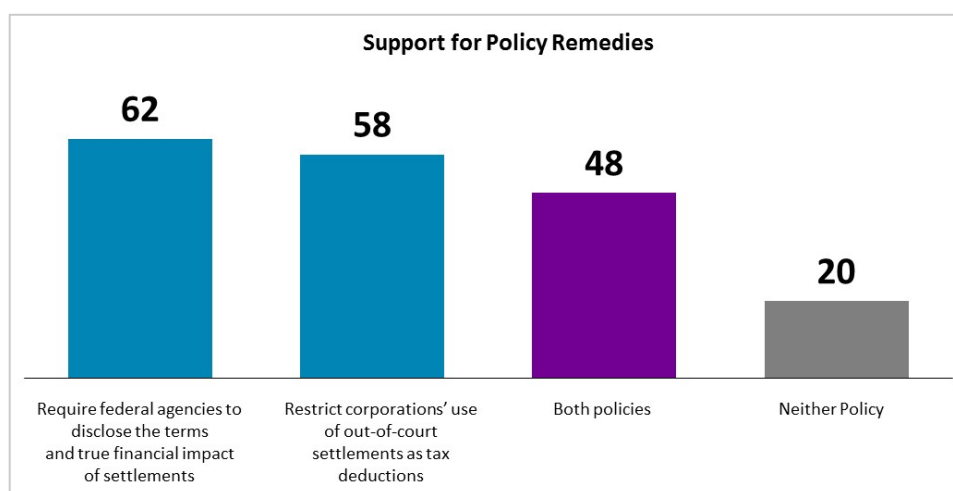
Across party lines, Americans share high levels of concern about the lack of disclosure requirements for federal agencies (73% among Democrats, 66% among Independents, 72% among Republicans), and about the tax-deductible status of these settlements (80% among Democrats, 67% among Independents, and 75% among Republicans).

¹ Lake Research Partners designed this survey to be administered as part of the ORC International Telephone CARAVAN® omnibus survey of 1,005 adults (18 years old and older) living in the continental United States, which was conducted March 20-23, 2014. The margin of error is +/- 3.1%

The issue of corporations using settlements as tax-deductible business expenses sparks an especially strong response among more educated Americans with at least a bachelor's degree, 50% of whom say they have serious concerns about this practice (79% total concerns), and among those who live in the East South Central region of the United States (56% serious concerns, 78% total concerns).

Robust Support for Action

Americans favor pursuing some form of policy remedy over inaction by roughly a 3 to 1 margin. Over three-fifths support requiring federal agencies to disclose the terms and true financial impact of settlements (including 68% of Democrats, 57% of Independents, and 63% of Republicans). And a strong majority (58%) supports restricting corporations' use of out-of-court settlements as tax deductions.



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