DEEPWATER HORIZON
CLAIMS CENTER
ECONOMIC & PROPERTY DAMAGE CLAIMS

APPEAL PANEL DECISION FORM

I. CLAIMANT AND CLAIM INFORMATION

Claimant Name	Last/Name of Business [redacted]	First [redacted]	Middle
Claimant ID	[redacted]	**Claim ID**	[redacted]
Claim Type	Business Economic Loss		
Law Firm	[redacted]		

II. DECISION

Select the Compensation Amount set forth in either BP's Final Proposal or the Claimant's Final Proposal as the final outcome on the claim and check the appropriate box to signify your decision.

☐ **BP's Final Proposal**	**Compensation Amount**	**$73,012**
	Risk Transfer Premium	**1.50**
	Prior Payment Offset	**$0**
☒ **Claimant's Final Proposal**	**Compensation Amount**	**$84,554.38**
	Risk Transfer Premium	**1.50**
	Prior Payment Offset	**$0**

III. PRIMARY BASIS FOR PANELIST DECISION

Please select the primary basis for your decision. You may also write a comment describing the basis for your decision.

☐ **Error in documentation review.**

☐ **Error in calculation.**

☐ **Error in RTP multiplier.**

☐ **Error in Prior Spill-Related Payment Amount.**

☒ **No error.**

Comment *(optional)*:

This appeal involves the recently recurring issue of whether the CA properly applied the "steps" and protocol of Policy 495 to the BEL claim of a real estate agent. BP contends that a cash basis real estate agent's recording of revenue (i.e., commissions) when received, inherently disconnects that revenue from the upstream activities that earned that revenue, resulting in a timing difference between when the revenue was earned and when it was recorded on Claimant's books. BP hypothesizes that each of Claimant's property listings might have been on the market for an average of four months, and that expenses could then be matched for that time frame. Claimant counters that commissions are not realized or realizable until the real estate sale actually closes, and that many fall through in the final stages, even at closing. Claimant points out that "revenue recognition principles – whether on the cash or accrual basis – would not suggest recognizing revenue until (1) it is received (cash basis) or (2) it is realized or realizable, and earned (accrual basis). See ASC 605, US GAAP Codification, Revenue Recognition." Here the DHECC Accounting vendors determined that Claimant's P&L's were insufficiently matched. The DHECC Accountant properly inquired into the matching issues and restated the data, where applicable. Matching issues remained; therefore, Claimant's financials were allocated per the Annual Variable Margin ("AVM") Methodology. BP argues that the Professional Services Methodology should have been employed rather than the AVM. This issue has been fully analyzed in numerous prior reported appeal decisions, and resolved contrary to BP's position. That body of precedent is so well developed as to the various considerations and analyses involved, that nothing is to be gained by a full and independent exposition of the same being reiterated in this Decision Comment. The appeal is denied.