

Memorandum

Re: Manville Trust TDP Changes and the Status of the Pro Rata Share Review

Representatives for the Manville Personal Injury Settlement Trust (“the Trust”), the Selected Counsel for the Beneficiaries (SCB), and the Legal Representative for Future Claimants (“the Legal Representative”) met on August 28th to discuss proposed changes to the Trust Distribution Process (TDP). The TDP, which was implemented in 1995 (“the 1995 TDP”), vests in these representatives the power to amend the TDP and to change the pro rata payment share. The changes that are reflected in the amended 1995 TDP and the new 2002 TDP that are posted on this web site were agreed upon at the August 28th meeting. The CRMC will begin to accept claims filed pursuant to the 2002 TDP on January 2, 2003.

The key factor that determines which TDP applies to a particular claim is the date of diagnosis for the claimed disease “category” (1995 TDP) or disease “level” (2002 TDP):

- All claims with a date of diagnosis after August 31, 2002 are subject solely to the provisions of the 2002 TDP.
- Claimants who have not filed claims as of August 31, 2002 whose date of diagnosis is on or before August 31, 2002 may elect to file their claims pursuant to the 2002 TDP or pursuant to the 1995 TDP, so long as their claims are filed with the Trust before August 31, 2003. The Trust will continue to administer claims filed timely under the 1995 TDP to their conclusion. After August 31, 2003, all claims submitted will be processed and paid pursuant to the 2002 TDP, regardless of the date of diagnosis.
- Claimants with FIFO numbers greater than 445,000 who have already filed claims with the Trust pursuant to the 1995 TDP may elect to refile their claims pursuant to the 2002 TDP.

As indicated in both the 1995 TDP and the 2002 TDP, the pro rata payment percentage initially was set in 1995 at ten percent (10%). However, since June 2001, when the Trustees of the Trust voted to reduce the pro rata share, claimants have been paid five percent (5%) of the liquidated value of their claims. The SCB and the Legal Representative agreed to that reduction on an interim basis until such time as an appropriate pro rata share could be determined. The Trust, the SCB and the Legal Representative have agreed to continue further review of the pro rata share through mid-2003. Until that time, they have agreed that the Trust will continue to make pro rata payments at five percent. Continuation of this review will allow consideration of claim filing experience under the 2002 TDP. It is anticipated that implementation of the 2002 TDP will result in a dramatic increase in the pro rata share.

Claimants and their counsel will be kept apprised of the results of this ongoing review of the pro rata share.