

To: All Claimants & Counsel

Date: July 26, 2013

## **I. PAYMENT PERCENTAGE ADJUSTMENT**

Effective July 23, 2013, the Trustees of the Celotex Asbestos Settlement Trust (the "Trust") decreased the Payment Percentage from 9.4% to 6.5%. The Trustees have taken this action pursuant to their responsibilities under Article 3.4 of the Second Amended and Restated Celotex Asbestos Settlement Trust Agreement.

The Trustees have made this determination in reliance upon their expert advisors and following consultation with the Legal Representative and the Trust Advisory Committee.

The recalculation of the Payment Percentage, and accompanying changes to the claims values and payment methods, included consideration of the number, timing, and value of present and future bodily injury claims, as well as the estimated value of the Trust's assets, the liquidity of those assets, and the Trust's expected future expenses and income.

The Trustees will continue to review the Payment Percentage to ensure that it is based on the most current and accurate data available to them.

## **II. CHANGES TO DISCOUNTED CASH PAYMENT OPTION**

Concurrent with the adjustment to the Payment Percentage will be the assignment of new discounted cash payment ("DCP") values for each disease category, as set forth below:

Mesothelioma	\$6,800
Lung Cancer	\$1,750
Other Cancer	\$1,080
Non-Malignancy: Asbestosis	\$690
Non-Malignancy: Bilateral Pleural Disease	\$350

Going forward, the Trustees shall adjust the DCP amounts for the above disease categories each time there is a change in the Payment Percentage. If there is a reduction in the DCP amounts and (a) the holder of a claim (1) had transmitted an executed release to the Trust prior to the date of the reduction or (2) had received a release fewer than 30 days prior to the date of the reduction and within 30 days of the holder's receipt of the release, such holder transmitted an executed release to the Trust, or (b) prior to the date of the reduction, the holder of a claim had received an offer from the Trust but because the claim involved a deceased or incompetent claimant, the

holder was required to obtain approval of the Trust's offer by a court or through a probate process (collectively, the "Payment Reduction Exception Claims"), the Trust shall pay such holder the DCP amount in effect prior to the reduction.

If the holder of a DCP claim transmitted an executed release to the Trust prior to July 23, 2013, the Trust shall pay such holder the DCP amount in effect prior to July 23, 2013. If the holder of a DCP claim received an offer from the Trust prior to July 23, 2013, but the subject claim is not a Payment Reduction Exception Claim, then the Trust shall issue a new release to such holder and pay him/her the DCP amount in effect after July 23, 2013.

### **III. CHANGES TO INDIVIDUALIZED REVIEW OPTION**

Pursuant to the Trust's Fifth Amended and Restated Asbestos Personal Injury Claims Resolution Procedures, the Trust will cease making payments on an installment basis with respect to individually reviewed claims. Claimants who have received their first installment payments and are awaiting their second installment payments shall receive the second installment payments subject to the Payment Percentage that was in effect prior to July 23, 2013. In addition, if the holder of an individually reviewed claim transmitted an executed release to the Trust prior to July 23, 2013, and has not yet received a payment, the Trust shall pay such holder the liquidated value of the claim multiplied by the Payment Percentage that was in effect prior to July 23, 2013. If, however, the holder of an individually reviewed claim received an offer from the Trust prior to July 23, 2013, but the subject claim is not a Payment Reduction Exception Claim, then the Trust shall issue a new release to the holder and pay him/her the liquidated value of the claim multiplied by the Payment Percentage in effect after July 23, 2013.

Going forward, a holder of a valid claim who elects individualized review shall receive a payment that is subject to the Payment Percentage that is in effect at the time the claim is paid; provided, however, that if there is a reduction in the Payment Percentage and the subject claim is a Payment Reduction Exception Claim, the Trust shall pay the holder of such claim the liquidated value of the claim multiplied by the Payment Percentage that was in effect prior to the Payment Percentage reduction.

4966615.3