

Subject: Instructions for Filing a Claim with the Combustion Engineering 524(g)  
Asbestos PI Trust

Dear Plaintiff Counsel:

The Combustion Engineering 524(g) Asbestos PI Trust (the “Trust”) was established as a result of the bankruptcy of Combustion Engineering, Inc. The Trust is organized to process, liquidate and pay valid asbestos personal injury claims in accordance with the Combustion Engineering 524(g) Asbestos PI Trust Distribution Procedures (the “CE TDP”), which were approved by the bankruptcy court.

This memorandum provides an overview of how to file a claim with the Trust and is intended to assist claimants in filing a complete and valid claim. The legal requirements for a valid claim, however, are set forth in the CE TDP. A copy of the CE TDP is attached. This memorandum is sent on behalf of the Trust by Verus Claims Services, LLC (“Verus”), the Trust’s claims processor. The Trust’s Procedures for Reviewing and Liquidating TDP Claims (“Procedures”) may be found on the Trust’s webpage at [www.cetrust.org](http://www.cetrust.org) or on Verus’ webpage at [www.verusllc.com](http://www.verusllc.com). The claim form is Exhibit A to the Procedures. Electronic filing instructions may be obtained from Verus or downloaded from [www.cetrust.org](http://www.cetrust.org).

This memorandum is divided into four parts. The first part describes the mechanics for filing a claim with the Trust. The second part addresses how a claim is processed by the Trust. The third part provides an overview of the requirements for a valid claim under the CE TDP. The fourth part explains how a claim is paid.

***How do I file a claim with the Trust?***

***Required Paperwork***

To file a claim, you must submit a completed Claim Form along with the required supporting documentation. The supporting documentation is discussed below. You may submit your claim to the Trust using either (1) the enclosed Claim Form or (2) electronic submission upload to the Trust’s electronic filing system, or (3) by email in Excel format. A sample copy of the Claim Form in Excel format is enclosed herewith. You may use or include claim materials PDF or TIFF format. All material must be sent to the Trust by mail, fax, direct upload or by email using the following address:

Combustion Engineering 524(g) Asbestos PI Trust  
c/o Verus Claims Services, LLC  
57 Hamilton Avenue, Suite 208  
Hopewell, NJ 08525  
Telephone: 609-466-0427  
Fax: 609-466-1449  
Email: [support@verusllc.com](mailto:support@verusllc.com)  
Webpage: [www.verusllc.com](http://www.verusllc.com)

You should make every effort to submit the Claim Form and all required documentation at the same time. Questions regarding the Claim Form and the claim process may be directed to: [support@verusllc.com](mailto:support@verusllc.com).

### *Prior Claims*

The Trust will review each claim to determine whether the claimant has previously filed a claim with the CE Settlement Trust. Claims filed with the CE Settlement Trust that have been or will be paid by the CE Settlement Trust may not be filed with the Trust. Claims filed with the CE Settlement Trust that are eligible for payment by the CE Settlement Trust but unpaid due to lack of funds may be filed with the Trust. The Trust will endeavor to provide notice to such claimants upon receipt of information from the CE Settlement Trust. Claims filed with the CE Settlement Trust that the CE Settlement Trust has determined do not meet the criteria for payment by the CE Settlement Trust (“Non-Qualified Claims”) could have been filed with the Trust within the deadline discussed below. Non-malignant asbestos claimants paid by the CE Settlement Trust may subsequently submit malignancy claims to the Trust. If the claimant filed a claim with the CE Settlement Trust, the Trust may request further information from the claimant to determine eligibility for compensation from the Trust.

If a claimant received a payment from Combustion Engineering, Inc., or from the CE Settlement Trust, the Trust will review any release executed by the claimant to determine eligibility for compensation from the Trust. The Claim Form requires the submission to the Trust of any previously executed release involving Combustion Engineering. Additionally, if an asbestos-related lawsuit has been filed on behalf of the injured party against any asbestos defendant, the Claim Form requires the submission to the Trust of a photocopy of the cover sheet of the complaint or other proof of filing. If the claimant submits other proof of filing, the case caption, docket number and date the complaint was filed with the court must be included. See Claim Form, Part 10.

### *Deadline*

Other than the statute of limitations, discussed below, only the Non-Qualified Claims are subject to a deadline for filing with the Trust. Non-Qualified Claims are claims filed with the CE Settlement Trust that the CE Settlement Trust has determined do not meet the criteria for payment by the CE Settlement Trust and will not be paid by the CE Settlement Trust. Non-Qualified Claims had to have been filed with the Trust by November 30, 2006, along with a \$75.00 filing fee. See Section 5.2(d) of the CE TDP.

### *Statute of Limitations*

All claims must be filed before the expiration of the relevant statute of limitations. See Section 5.1(a)(2) of the CE TDP for details on the application of the statute of limitations.

### *Disease Levels*

Claims are categorized by eight asbestos-related disease levels. The Disease Levels are Mesothelioma (Level VIII), Lung Cancer 1 (Level VII), Lung Cancer 2 (Level VI), Other Cancer (Level V), Severe Asbestosis (Level IV), Asbestosis/Pleural Disease (Level III), Asbestosis/Pleural Disease (Level II), and Other Asbestos Disease (Level I). See Claim Form, Part 6. Each Disease Level has been assigned medical and exposure criteria; seven have Scheduled Values, and five have ranges of values, as well. The values have been determined with the intention of achieving a fair allocation of the Trust's funds among claimants suffering from different diseases in light of current and historical information regarding claims against Combustion Engineering.

### ***How will my claim be processed?***

#### *Processing Order*

In general, claims will be processed in the order received by the Trust on a first-in-first-out basis.

#### *Liquidation of Claims*

The claimant must choose either Expedited Review or Individual Review. Claims for Lung Cancer 2 (Level VI) must be submitted to Individual Review. See Claim Form, Part 1.

#### *Expedited Review*

Expedited review is explained at section 5.3 of the CE TDP. Under Expedited Review, the Trust will determine whether the claim presumptively meets the medical and exposure criteria for one of the seven Disease Levels eligible for Expedited Review, and will advise the claimant of its determination. If a Disease Level is determined, the Trust will assign the claim the established Scheduled Value for the claim depending on the Disease Level. The Disease Levels and Scheduled Values are set forth at section 5.3 (a) (3) of the CE TDP, and reproduced below. The Trust will tender to the claimant an offer of payment based on that value.

Because the Trust assigns the Scheduled Value to a determined Disease Level, the claimant may pre-accept a claim settlement offer with the filing of the Claim Form by checking the appropriate box on the Claim Form. (See Claim Form, Part 1). If the claimant pre-accepts a claim settlement offer, the claimant must submit an executed release with the Claim Form and the claimant accepts a settlement offer of the Scheduled Value at the Disease Level indicated on the Claim Form or at a higher Disease Level.

If the claimant does not pre-accept a claim settlement offer, a settlement offer will be tendered to the claimant for acceptance or rejection. If the claimant accepts the offer, the claim will be

placed in line for payment upon receipt of an executed release and the completion of the claim file. The claimant accepts the offer by tendering the release.

If the claimant rejects the offer, the claimant may request Individual Review.

If the Trust concludes that a claim does not meet the medical and/ or exposure criteria for one of the Disease Levels, the Trust will deny the claim. If the Trust denies the claim, the claimant may request Individual Review.

### *Individual Review*

The Trust's Individual Review process provides a claimant with an opportunity for individual consideration and evaluation of a claim. Claimants holding claims in the more serious Disease Levels IV, V, VII and VIII will be eligible to seek, and claimants holding claims in Disease Level VI will be required to undergo, Individual Review of the liquidated value of their claims, as well as of their medical and/or exposure evidence. Claimants whose claims fail to meet the presumptive Medical and/or Exposure Criteria for Disease Levels II and III are also eligible to seek Individual Review. For Disease Levels II and III, if the Trust is satisfied that the claimant has presented a claim that would be cognizable and valid in the tort system, the Trust may offer the claimant a liquidated value amount up to the Scheduled Value for that Disease Level, unless the claim qualifies as an Extraordinary Claim as described in Section 5.4(a) of the CE TDP. If the Trust determines that the claim is deficient or does not qualify for payment, then the Trust will issue a notice of deficiency to the claimant or deny the claim, as applicable.

For Disease Levels IV – VIII, the Individual Review process is intended to result in payments equal to the full liquidated value for each claim multiplied by the Payment Percentage. The Payment Percentage is discussed below. If the Trust concludes that the claim has merit, the Trust will assign a value based on the range of values provided in section 5.3 (b) (3) of the CE TDP; however, the liquidated value of any claim that undergoes Individual Review may be determined to be less than the Scheduled Value the claimant would have received under Expedited Review. Moreover, the liquidated value for a claim involving Disease Levels IV – VIII will not exceed the Maximum Value for the relevant Disease Level set forth in Section 5.3(b)(3) of the CE TDP, unless the claim meets the requirements of an Extraordinary Claim described in Section 5.4(a) of the CE TDP.

Because the detailed examination and valuation process pursuant to Individual Review requires substantial time and effort, claimants electing to undergo the Individual Review process will necessarily be paid the liquidated value of the claims later than would have been the case had the claimant elected the Expedited Review process. If the claimant is seeking Individual Review, Parts 12, 13, 14 and 15 of the Claim Form must be completed to the extent applicable.

### *Valuation Factors to be Considered in Individual Review*

The Trust will liquidate the value of each claim that undergoes Individual Review based on the historic liquidated values of other similarly situated claims in the tort system for the same Disease Level. The Trust will thus take into consideration the factors that affect the severity of damages and values within the tort system including, but not limited to: (i) the degree to which

the characteristics of a claim differ from the presumptive Medical/Exposure Criteria for the Disease Level in question; (ii) factors such as the claimant's age, disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, and pain and suffering; (iii) evidence that the claimant's damages were (or were not) caused by asbestos exposure, including CE Exposure, (for example, alternative causes, and the strength of documentation of injuries); (iv) the industry of exposure; and (v) settlements, verdicts and the claimant's and other law firms' experience in the Claimant's Jurisdiction (as that term is described below) for similarly situated claims.

### *The Claimant's Jurisdiction*

For purposes of filing a claim pursuant to the Individual Review process, the Claimant's Jurisdiction is the jurisdiction in which the claim was filed (if at all) against CE in the tort system prior to February 17, 2003. If the claim was not filed against CE in the tort system prior to February 17, 2003, the claimant may elect as the Claimant's Jurisdiction either (i) the jurisdiction in which the claimant resides at the time of diagnosis, (ii) the jurisdiction in which the claimant resides when the claim is filed with the Trust, or (iii) any jurisdiction in which the claimant experienced CE Exposure. Notwithstanding the foregoing, if a claim is asserted by the official representative and the Claimant's Jurisdiction would be Alabama under the provisions of the preceding sentence such that the claim asserted would arise under the Alabama Wrongful Death Statute; then the Claimant's Jurisdiction will be the Commonwealth of Pennsylvania for purposes of evaluating the claim. See Claim Form, Part 14.

### *Negotiations*

In the Individual Review process, the Trust will either deny the claim or assign a value as described above. The Trust will tender to the claimant an offer based on that assigned value.

Individual Review contemplates a negotiation process between the claimant and the Trust. The claimant may, therefore, make a counter-offer to the Trust without terminating the Individual Review process. Verus, on behalf of the Trust, and the claimant may engage in continued negotiations. If the negotiations do not result in an agreement, the Trust will nevertheless make a final offer to the claimant. The Trust and the claimant will use their best efforts to complete negotiations within thirty (30) days after the Trust has made an offer. Individual Review does not end until the claimant agrees to a settlement amount or rejects the final offer in writing.

If the claimant accepts the offer, the claim will be placed in line for payment upon receipt by the Trust of the executed release and completion of the claim file.

If the claimant rejects the offer, the claimant may request binding or non-binding arbitration. See Section 5.10 of the TDP for arbitration provisions. The Trust will issue a notice of completion of Individual Review setting a thirty (30) day deadline for the claimant to demand arbitration. For form notices and further information regarding arbitration, see the Procedures on the web pages referenced above.

### *Extraordinary and Exigent Hardship Claims*

The CE TDP provide for Extraordinary Claims and for Exigent Hardship Claims. For details, see Sections 5.4 (a) and 5.4 (b) of the CE TDP, respectively. See also, Claim Form, Part 2.

### *Liquidated Claim*

If the Trust and the claimant agree on the value of a claim or if the claim is determined by arbitration or court judgment, the claim has been liquidated under the CE TDP and eligible for payment. Liquidated claims will be paid on a percentage basis by application of a Payment Percentage, discussed below. No claimant shall receive a payment greater than the Payment Percentage multiplied by the liquidated value of the claim.

### ***What are the requirements for a valid claim under the CE TDP?***

#### *General Requirements*

A claimant who establishes with a medical examination that he is suffering from one of the Disease Levels listed below, and who provides evidence of Combustion Engineering exposure, may be eligible for the Scheduled Values for the relevant Disease Level.

All claimants are required to submit a complete Claim Form with the required supporting documentation. At a minimum, the supporting documentation consists of a medical report from the diagnosing physician and a death certificate, if applicable.

The following chart, used for Expedited Review, summarizes the Scheduled Values and Medical/Exposure Criteria for the various Disease Levels. This chart is intended as a general guideline for a valid claim. As stated throughout this instructional memorandum, the CE TDP must be consulted to determine whether the claim satisfies the requirements for a valid claim. See Section 5.3(a)(3) of the CE TDP.

<b>Disease Level</b>	<b>Scheduled Value</b>	<b>Medical/Exposure Criteria</b>
Mesothelioma (Level VIII)	\$75,000	(1) Diagnosis <sup>1</sup> of mesothelioma and (2) CE Exposure <sup>2</sup>
Lung Cancer 1 (Level VII)	\$25,000	(1) Diagnosis of a primary lung cancer plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease <sup>3</sup> , (2) six months CE Exposure, (3) Significant Occupational Exposure <sup>4</sup> , and (4) supporting medical documentation establishing asbestos exposure as a substantial contributing factor in causing the lung cancer in question.
Lung Cancer 2 (Level VI)	Subject to Individual Review	<p>(1) Diagnosis of a primary lung cancer, (2) CE Exposure, and (3) supporting medical documentation establishing asbestos exposure as a substantial contributing factor in causing the lung cancer in question. Lung Cancer 2 (Level VI) claims are claims that do not meet the more stringent medical and/or exposure requirements of Lung Cancer 1 (Level VII) claims. All claims in this Disease Level will be individually evaluated. The estimated likely average of the individual evaluation awards for this category is \$15,000.00, with such awards capped at \$50,000.00 unless the claim qualifies for Extraordinary Claim treatment.</p> <p>Level VI claims that show no evidence of either an underlying Bilateral Asbestos-Related Nonmalignant Disease or Significant Occupational Exposure may be individually evaluated, although it is not expected that such claims will be treated as having any significant value, especially if the claimant is also a Smoker.<sup>5</sup> In any event, no presumption of validity will be available for any claims in this category.</p>

Other Cancer (Level V)	\$6,000	(1) Diagnosis of a primary colo-rectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease, (2) six months cumulative CE Exposure, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a substantial contributing factor in causing the other cancer in question.
Severe Asbestosis (Level IV)	\$25,000	(1) Diagnosis of asbestosis with ILO of 2/1 or greater, or asbestosis determined by pathological evidence of asbestos <sup>6</sup> , plus (a) TLC less than 65%, or (b) FVC less than 65% and FEV1/FVC ratio greater than 65%, (2) six months CE Exposure, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a substantial contributing factor in causing the pulmonary deficit in question.
Asbestosis/Pleural Disease (Level III)	\$4,800	Diagnosis of asbestosis with ILO of 1/0 or greater or asbestosis determined by pathology, or Bilateral Asbestos-Related Nonmalignant Disease of B2 of greater, plus (a) TLC less than 80%, or (b) FVC less than 80% and FEV1/FVC ratio greater than or equal to 65%, and (2) six months CE Exposure, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a substantial contributing factor in causing the pulmonary deficit in question.
Asbestosis/Pleural Disease (Level II)	\$1,800	(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease, and (2) six months CE Exposure, and (3) five years cumulative occupational exposure to asbestos.
Other Asbestos Disease (Level 1) Cash discount payment	\$250 (Not subject to the Payment Percentage	(1) Diagnosis of a Bilateral Asbestos-Related Nonmalignant Disease or an asbestos-related malignancy (except mesothelioma), and (2) CE Exposure.

The following chart, used for Individual Review, summarizes the range of values for severe asbestosis (Disease Level IV) and malignancies (Disease Levels V-VIII). See Section 5.3 (b)(3) of the CE TDP.

<b>Scheduled Disease</b>	<b>Scheduled Value</b>	<b>Average Value</b>	<b>Maximum Value</b>
Mesothelioma (Level VIII)	\$75,000	\$95,000	\$400,000
Lung Cancer 1 (Level VII)	\$25,000	\$35,000	\$150,000
Lung Cancer 2 (Level VI)	Subject to Individual Review	\$15,000	\$50,000
Other Cancer (Level V)	\$6,000	\$9,000	\$75,000
Severe Asbestosis (Level IV)	\$25,000	\$40,000	\$150,000
Asbestosis (Level III)	\$4,800	Scheduled Value	Scheduled Value
Asbestosis/Pleural Disease (Level II)	\$1,800	Scheduled Value	Scheduled Value
Other Asbestos Disease (Cash Discount Payment) (Level I)	\$250	None	None

*Medical Evidence*

In general, all diagnoses of a Disease Level shall be accompanied by either (i) a statement by the physician providing the diagnosis that at least 10 years have elapsed between the date of first exposure to asbestos or asbestos-containing products and the diagnosis, or (ii) a history of the claimant’s exposure sufficient to establish a 10-year latency period.

In order to expedite the processing of claims and minimize expense, with the consent of the claimant, the Trust will use available results of previous reviews of medical records for other asbestos defendants by Verus for the verification of the claimed medical condition. See Claim Form, Part 6. If the claimant does not consent to the use of available previous medical reviews, medical records must be submitted with the Claim Form. Even if the claimant consents to the use of available previous medical reviews, the Trust may request further medical documentation.

For further details regarding medical evidence required for a valid claim, see Section 5.7(a) of the CE TDP.

## *Exposure Evidence*

### *In General*

To meet the presumptive exposure requirements for Expedited Review, the claimant must show (i) for all Disease Levels, CE Exposure (as described below); (ii) for Disease Level II, six months CE Exposure, plus five years cumulative occupational asbestos exposure; and (iii) for Disease Levels III, IV, V or VII, the claimant must show six months CE Exposure, plus Significant Occupational Exposure (as described below) to asbestos. If the claimant cannot meet the requirements of presumptive exposure for a Disease Level for Expedited Review, the claimant may seek Individual Review of his or her evidence of Combustion Engineering exposure. For further details regarding exposure evidence required for a valid claim, see Section 5.7 (b) of the CE TDP. See also, Claim Form, Part 7.

### *CE Exposure*

In general, to qualify for any Disease Level, the claimant must demonstrate exposure to asbestos or asbestos-containing products for which Combustion Engineering has legal responsibility. The Claim Form requires the claimant to list the occupation and industry in which the claimant worked at the time the Combustion Engineering exposure occurred. See Claim Form, Part 7. Attached hereto as Exhibits A and B are the Combustion Engineering, Inc. Occupation Codes and Combustion Engineering, Inc. Industry Codes, respectively. Please use the specified codes in designating the claimant's occupation and industry for purposes of completing the Claim Form. Evidence of the Combustion Engineering exposure may be submitted by affidavit of the claimant or a family member, invoices, employment, construction or similar records, court documents or other credible evidence. Execution of a fully completed Claim Form under penalty of perjury will be considered evidence of exposure. See Claim Form, Part 9.

### *Significant Occupational Exposure*

Claims submitted for Disease Levels III, IV, V or VII must demonstrate Significant Occupational Exposure in order to meet the presumptive exposure requirements for Expedited Review. "Significant Occupational Exposure" means employment for a cumulative period of at least five years in an industry and an occupation in which the claimant (a) handled raw asbestos fibers on a regular basis; (b) fabricated asbestos-containing products so that the claimant in the fabrication process was exposed on a regular basis to raw asbestos fibers; (c) altered, repaired or otherwise worked with an asbestos-containing product such that the claimant was exposed on a regular basis to raw asbestos fibers; or (d) was employed in an industry and occupation such that the claimant worked on a regular basis in close proximity to workers engaged in the activities described in (a), (b) and/or (c).

***How will I receive payment if I have a valid claim?***

Except for Disease Level I, once a claim is liquidated, it is placed in line for payment. The order of payment is based on the date of the liquidation of the claim. For pre-accepted Expedited Review, the date is the date of the assignment of a claim value, provided the claim file is otherwise complete. For non-pre-accepted Expedited Review and for Individual Review, it is the date Verus determines the claim file is complete and ready for submission to the Trustees for payment after the receipt of an executed release. The claimant will receive a payment equal to the Payment Percentage multiplied by the liquidated value of the claim. Disease Level I claims receive a fixed dollar amount without application of the Payment Percentage. Prior to payment, the Trust will require that the claimant execute a release (release form attached). If the claimant is represented by an attorney, the payment shall be made to the attorney on behalf of the claimant. If the claimant is not represented by an attorney, the payment will be made directly to the claimant.

***Payment Percentage***

All claims, except Disease Level I, are subject to the Payment Percentage. The Payment Percentage is the percentage of the full liquidated value of a claim that claimants will receive from the Trust. The Payment Percentage is calculated based on the Trust's estimate of the number, types and values of present and future claims and the value and liquidity of the Trust's assets after considering the Trust's operating expenses. See Section IV of the CE TDP. Currently, the Payment Percentage is 48.33%. Applying this Payment Percentage, claimants with valid claims based on the Scheduled Values could expect to be paid the following amounts:

	<b>Scheduled Value</b>	<b>Payment Amount</b>
Mesothelioma (Level VIII)	\$75,000	
Lung Cancer 1 (Level VII)	\$25,000	
Lung Cancer 2 (Level VI)	Subject to Individual Review	
Other Cancer (Level V)	\$6,000	
Severe Asbestosis (Level IV)	\$25,000	
Asbestosis/Pleural Disease (Level III)	\$4,800	
Asbestosis/Pleural Disease (Level II)	\$1,800	
Other Asbestos Disease (Level (1))	\$250 (not subject to the payment percentage)	\$250

The Trustees may adjust the Payment Percentage to reflect updated estimates of the Trust's liabilities. Because there is uncertainty in the prediction of both the number and severity of future claims, and the amount of the Trust's assets, no guarantee can be made of the Payment

Percentage. If the Payment Percentage is increased over time, claimants whose claims were liquidated and paid in prior periods under the CE TDP will not receive additional payments.

*Annual Limits*

To assure that the Trust has adequate resources to pay similarly situated present and future claims in similar amounts, the Trust may only pay a maximum amount on all liquidated claims in any year. See Section 2.4 of the CE TDP. In addition, 87% of the maximum annual amount must be used to pay claims in Disease Levels IV—VIII and 13% to pay claims in the other Disease Levels. See Section 2.5 of the CE TDP. If the Trust has insufficient funds under the maximum annual allowance to pay all liquidated claims by category in a year, the claims will be carried over to the next year and will retain their priority in the payment line.

Very truly yours,

Dan Myer