

# **COMBUSTION ENGINEERING 524 (g) ASBESTOS PI TRUST**

## **TRUSTEES:**

**Honorable Richard E. Neville, Ret.**  
Chicago, Illinois

**Honorable Ken Kawaichi, Ret.**  
Walnut Creek, California

**Ellen S. Pryor, Esq.**  
Dallas, Texas

July 25, 2019

## **NOTICE TO HOLDERS OF COMBUSTION ENGINEERING TDP CLAIMS**

By letter dated July 24, 2019, the Trustees of the Combustion Engineering 524(g) Asbestos PI Trust have determined to set the Payment Percentage at 25%, subject to the consent of the Trust Advisory Committee and the Future Claimants' Representative. See letter attached.

TDP Section 4.3 provides, in part, “[i]f a redetermination of the Payment Percentage has been proposed in writing by the Trustees to the TAC and the Future Claimants' Representative, but has not yet been adopted, the claimant shall receive the lower of the current Payment Percentage or the proposed Payment Percentage.” Pursuant to this provision, beginning on July 24, 2019, the Trustees will apply the Payment Percentage of 25% to liquidated TDP Determined Claims in the FIFO Payment Queue.

TDP Section 4.3 also provides that, except for supplemental payments and claims involving deceased or incompetent claimants for which court approval of a settlement is required, “no holder of a TDP Determined Claim [other than Disease Level I] shall receive a payment that exceeds the liquidated value of such TDP Determined Claim times the Payment Percentage in effect at the time of payment.”

# COMBUSTION ENGINEERING 524 (g) ASBESTOS PI TRUST

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## TRUSTEES:

Honorable Ken Kawaichi, Ret.  
Walnut Creek, California

Ellen S. Pryor, Esq.  
Dallas, Texas

Honorable Richard E. Neville, Ret.  
Chicago, Illinois

July 24, 2019

VIA EMAIL

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Re: Combustion Engineering 524(g) Asbestos PI Trust

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Administrative Office:  
27400 Northwestern Highway, Southfield, MI 48037

July 24, 2019

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Dear Members of the CE Trust Advisory Committee (“TAC”) and Future Claimants’ Representative (“FCR”):

As mandated by TDP Section 4.2, the CE Trustees consider the Payment Percentage on a regular basis to assure that the Payment Percentage is based on the best available information. Section 4.2 further directs the Trustees to consider the Payment Percentage if requested to do so by the Future Claimants’ Representative.

The Future Claimants’ Representative requested that the Trustees consider the Payment Percentage. After discussion of the matter at a regular meeting of the Trust on May 22, 2019, the Trust’s consultant, Legal Analysis Systems, Inc. (“LAS”), and the FCR’s consultant, Ankura Consulting Group, LLC (“Ankura”), each conducted a Payment Percentage study.

LAS conferred with the Trustees on its study. At the request of the Trustees, LAS and Ankura conferred on several occasions. The Trustees have provided the LAS study to the TAC and the FCR. The FCR has requested that the Trustees reduce the Payment Percentage.

Both consultants have concluded that the claims data require a reduction in the Payment Percentage for the Trustees to operate the Trust in a fiscally responsible manner and pay holders of TDP Claims in such a way that all holders of TDP Claims that involve similar claims are treated in substantially the same manner.

Based on the foregoing, the Trustees have determined to set the Payment Percentage at 25%.

The Trustees may change the Payment Percentage with the consent of the TAC and the FCR. TDP Section 4.2. Pursuant to Section 7.7 of the CE Trust Agreement, the Trustees request that the TAC consent to the determination of the Payment Percentage. Pursuant to Section 6.6 of the CE Trust Agreement, the Trustees request that the FCR consent to the determination of the Payment Percentage.

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Pursuant to TDP Section 4.3, the Payment Percentage of 25% will be applied as of the date of this letter to TDP Determined Claims in the FIFO Payment Queue.

Thank you for your consideration of this matter.

Sincerely,



Sander L. Esserman,  
Counsel for the Combustion Engineering  
524(g) Asbestos PI Trust

cc: Hon. Richard E. Neville (Ret.), Trustee  
Ellen S. Pryor, Trustee  
Hon. Ken Kawaichi (Ret.), Trustee  
Mr. Steven A. Felsenthal