

H. K. Porter Asbestos Trust Supplemental Payments Policies and Procedures

Purpose:

To pay claimants who have received post-bankruptcy claim payments a supplemental payment due to the increase in the Payment Percentage.

Eligible Claims:

Any claim which has previously received a post-bankruptcy claim payment is eligible for a supplemental payment, since all previous payments were made at a Payment Percentage of 4.6%.

Amount of Supplemental Payments:

The supplemental payments for each claimant will be computed by multiplying the sum of all previous post-bankruptcy payments to that claimant by the factor of $(.063 - .046) / .046$ or approximately 36.96%. (.063 and .046 are respectively the new and old Payment Percentages expressed as decimals.) This applies to all claims including expedited, exigent and non-expedited.

Process:

Upon confirmation of an increase in the Payment Percentage:

1. The new percentage will be applied to any outstanding electronic offers.
2. Law firm administrators will be notified of the Payment Percentage increase and will be sent, or given electronic access to, a listing of all claimants for whom that firm had previously received payments with the proposed supplemental payment. A representative of each law firm will need to annotate the listing or provide partial listings to Verus indicating one of the following for each claimant:
 - a. Accept – The firm represents the claimant, and is ready, willing and able to pay the claimant his or her share of any supplemental payment within 90 days from receipt by the law firm.
 - b. Decline – The firm represents the claimant, and the claimant declines the supplemental payment.
 - c. Defer – The firm represents the claimant, but cannot locate the claimant or potential heirs at this time, so that funds should be reserved for such time as the claimant or his or her heir is located.
 - d. No longer represent – The firm does not represent the claimant for purposes of receiving any supplemental payment from the Trust.

In the case of c above, the firm is asked to provide the Trust with the last known address in the firm's records for the claimant or the name of the current law firm is applicable.

Electronic filers may update their lists at any time. Paper filers may return partial listings to Verus as claimants are located.

3. Quarterly, payment in the form of a check or electronic funds transfer (“EFT”) will be sent to the law firms for the claimants in category “a” who have not yet been paid a supplemental payment. Each law firm will be provided with a listing of the amount allocated to each claimant in each group payment. Such listings may be provided through the online electronic claims system or sent via e-mail or mail.
4. No payments will be made for the claimants in categories “b” or “c” until such time as they are transferred to category “a” by notifying Verus of the change in status through the online electronic claims system or via e-mail or mail.
5. The Trust will post notice of the increase in the Payment Percentage and availability of supplemental payments on the Trust website, along with instructions on how claimants not represented by counsel can contact Verus if they believe that they may be entitled to a supplemental payment.
6. Pro se claimants who had filed their own claims will be sent notification of the increase in the Payment Percentage and availability of supplemental payments, along with a form to certify that they are the proper party to receive any supplemental payment for the claim and to verify or correct the mailing address.
7. New releases will not be required. Since claimants represented by counsel will receive no direct notice from the Trust, the Trust is implementing the above procedures to help ensure that all eligible claimants receive supplemental payments.
8. If a law firm is unable to pay any claimants or escrow their funds within 90 days, the applicable funds should be returned to the Trust via Verus with a listing of each claim included and an explanation of why the payment was not made, Checks should be made payable to the “H. K. Porter Asbestos Trust.” This will not preclude the law firm from receiving these funds at a later date.