

**NOTICE REGARDING ADMINISTRATION OF THE
COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST
FIFO PROCESSING QUEUE**

Based on a request from the Trust Advisory Committee (the “TAC”) regarding the administration of the FIFO Processing Queue¹ established by the Combustion Engineering 524(g) Asbestos PI Trust Second Amended and Restated Asbestos PI Trust Distribution Procedures (effective January 19, 2017) (as may be amended from time to time, the “TDP”), and after consultation with the TAC, the Future Claimants’ Representative and Verus Claims Services, LLC, effective July 24, 2017, the Trustees of the Combustion Engineering 524(g) Asbestos PI Trust (the “Asbestos PI Trust”) adopt the following procedures² for the FIFO Processing Queue and claims processing thereunder.³

1. The TDP at Section 5.1(a)(1) provides that the “Asbestos PI Trust shall order TDP Claims that are sufficiently complete to be reviewed for processing purposes on a FIFO basis except as otherwise provided herein (the ‘FIFO Processing Queue’).”
2. The claimant’s position in the FIFO Processing Queue “shall be determined by the date the claim was filed with the Asbestos PI Trust,” TDP, Sec. 5.1(a)(1), provided such claim is sufficiently complete, as defined in the Combustion Engineering 524(g) Asbestos PI Trust Instructions for Filing Claims (“Instructions”). See Instructions, p. 3.
3. Once entered in the FIFO Processing Queue, claims maintain their “respective positions in the FIFO Processing Queue” throughout the claims resolution process, including ADR. TDP, Sec. 2.2. See also, TDP Sec. 5.3(a)(2) and 5.3(b)(1).
4. A claimant may withdraw a claim at any time upon written notice to the Asbestos PI Trust and file another claim but any claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of the subsequent filing. TDP, Sec. 6.3. In the event of re-filing, the claimant’s position in the FIFO Processing Queue is determined pursuant to Section 5.1(a)(1) of the TDP. See para. 1, 2, 7 and 8 herein.
5. A claimant may defer the processing of his or her claim for up to three years, in which case the claimant shall retain his or her original place in the FIFO Processing Queue. TDP, Sec. 6.3.
6. Upon the filing of a claim, the Asbestos PI Trust’s claims facility, Verus Claims Services, LLC (“Verus”), electronically reviews the claim to determine if the claim is “sufficiently

¹ Capitalized terms used but not defined herein shall have the respective meanings assigned such terms in the TDP.

² Nothing in these procedures shall be deemed to create a substantive right for any claimant.

³ Notwithstanding anything to the contrary provided herein, Exigent Hardship Claims shall be processed by Verus in the order provided in the TDP and the Second Revised and Restated Procedures for Reviewing and Liquidating TDP Claims. See TDP, Sec. 5.4(b) (“[Exigent Hardship Claims] may be considered separately no matter what the order of processing otherwise would have been under the TDP.”) See also, Second Revised and Restated Procedures for Reviewing and Liquidating TDP Claims, pp. 14-15.

complete” to be entered in the FIFO Processing Queue. Second Revised and Restated Procedures for Reviewing and Liquidating TDP Claims (“Procedures”), pp. 6, 9.

7. A claim is “sufficiently complete” when the required information and supporting documentation described in the Instructions for Filing Claims with the Combustion Engineering 524(g) Asbestos PI Trust (“Instructions”) has been submitted to Verus. Instructions,⁴ pp. 3-4; Procedures, p. 6.

8. If the claim is “sufficiently complete,” the claim is dated, assigned a number, and entered in the FIFO Processing Queue as of that date. Instructions, p. 4; Procedures, p. 6, 9; TDP, Sec. 5.1(a)(1).

9. If the claim is not “sufficiently complete,” Verus deems the claim “incomplete” and issues a deficiency notice to the claimant. Procedures, p. 6, 9.

10. The Asbestos PI Trust takes no further action on an “incomplete” claim until the claimant provides the required information and documentation for the claim to be “sufficiently complete” to be entered in the FIFO Processing Queue. Procedures, p. 9.

11. When a claim is reached in the FIFO Processing Queue, Verus processes the claim under Expedited Review or Individual Review based on the claimant’s election. TDP, Sec. 5.3(a)(2) and 5.3(b)(1). For internal operations, Verus performs a two- stage review process. Verus refers to the first stage as “First Review Queue” and the second stage as “Qualified Pending QC Review Queue.”

12. In the First Review Queue stage, Verus performs a review of the claim form and all submitted documentation. Absent deficiencies, Verus continues the processing of the claim to the Qualified Pending QC Review Queue stage.

13. In the Qualified Pending QC Review Queue stage, Verus reviews the claim file in its entirety. Absent deficiencies, Verus determines a liquidated value for the claim, following which Verus tenders an offer to the claimant. See TDP and Procedures for details regarding Expedited Review and Individual Review features.

14. During the First Review stage, the claim maintains its original place in the FIFO Processing Queue. The claim enters the Qualified Pending QC Review Queue based on the date and time the First Review is completed without a deficiency.

15. In the event that Verus identifies a deficiency during the First Review and/or Qualified Pending QC Review stages, Verus issues a deficiency notice to the claimant. Verus suspends processing the claim until the claimant responds to the deficiency notice.

16. In the event that the claimant responds to a deficiency notice, Verus records the date and time of the response and enters the claim as of that date and time in the FIFO Re-Review Queue.

⁴ The Instructions are attached to the Procedures as Exhibit B thereto.

17. When a claim rises to first in the FIFO Re-Review Queue, Verus reviews the documentation filed with the Asbestos PI Trust in response to the deficiency notice. If the documentation cures the deficiency, Verus proceeds to review the claim file in its entirety in the Qualified Pending QC Review Queue stage. The claim enters the Qualified Pending QC Review Queue based on the date and time the FIFO Re-Review is completed without a deficiency. Absent any additional deficiency, Verus determines a liquidated value for the claim, following which Verus tenders an offer to the claimant.

18. Upon review of a claim in the FIFO Re-Review Queue, in the event that Verus determines that the noticed deficiency had not been cured or identifies an additional deficiency, Verus issues a notice to the claimant and again suspends processing the claim until the claimant responds to the new deficiency notice. In the event of a response, Verus proceeds under paragraphs 16 and 17 above, with the date and time of the new response used to assign a new place in the FIFO Re-Review Queue.

19. At any point during any of the review stages, Verus may conduct a quality assurance review of the claim. Procedures, p. 10.

20. In the event that a claim is selected for a quality assurance review after Verus has determined a liquidated value for the claim, the claim will be assigned to a separate FIFO Quality Assurance Review Queue based on the date and time the Asbestos PI Trust determined a liquidated value for the claim.

21. When a claim rises to first in the FIFO Quality Assurance Review Queue, Verus shall perform the quality review.

22. Paragraph 4 above applies to the filing of a new claim after a claim has been deemed withdrawn pursuant to any policy adopted by the Trustees.

23. At the direction of the Asbestos PI Trust, Verus assigns staff to the FIFO Processing Queue, the FIFO Re-Review Queue, the Qualified Pending QC Review Queue and the FIFO Quality Assurance Review Queue to assure that claims are considered on the date the claim reaches first in the respective Queue even if occurring on the same calendar day as claims rise to first in a different Queue.