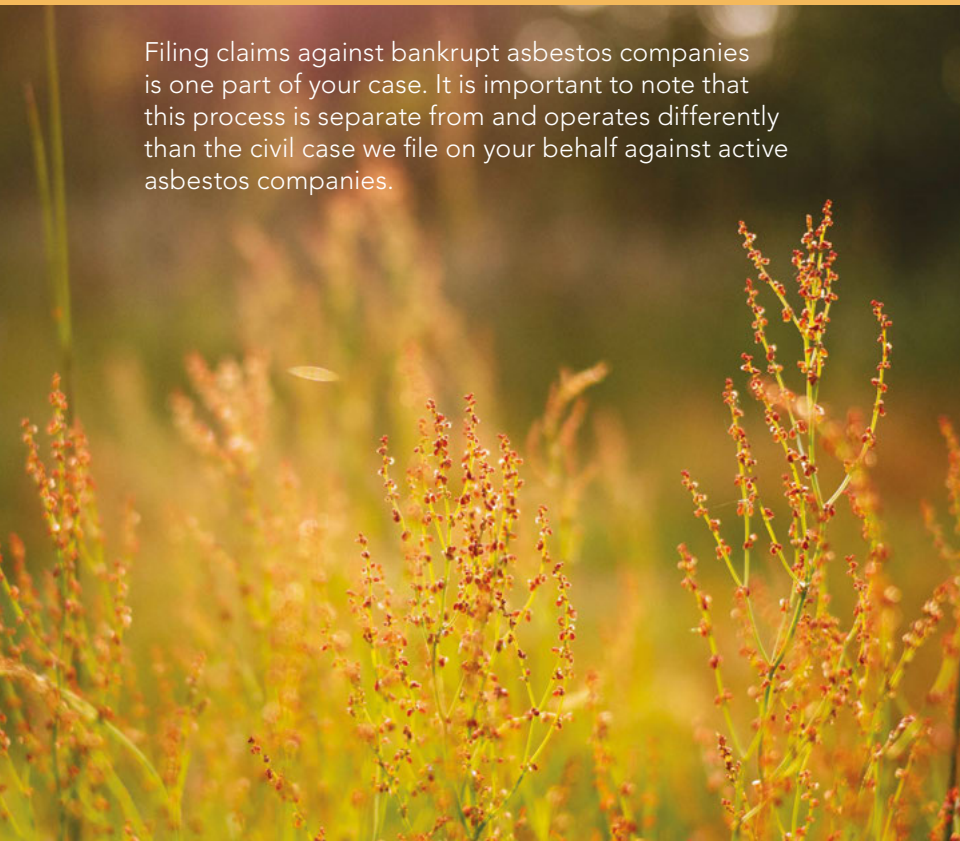


Understanding How Bankruptcy Trusts Work

Filing claims against bankrupt asbestos companies is one part of your case. It is important to note that this process is separate from and operates differently than the civil case we file on your behalf against active asbestos companies.



How Bankruptcy Trusts are Set Up

What is a Bankruptcy Trust?

When companies are unable to pay their liabilities in relation to asbestos exposure, they can file for Chapter 11 bankruptcy protection.

When this occurs, courts have determined that companies must establish trust funds that have enough money to pay compensation to victims of asbestos-related diseases.

Asbestos bankruptcy plans formed under section 524(g) involve the creation of trusts to compensate similarly situated current and future victims of asbestos exposure in a fair and equitable manner.

Once a trust is established, any person injured by that company's use of products containing asbestos can file a bankruptcy claim against that company's trust.

What is Chapter 11?

Chapter 11 bankruptcy is a form of corporate bankruptcy that allows companies to reorganize their finances in order to continue doing business, while also continuing to pay their debt.

Victims of asbestos exposure must file their claims against trust funds if the company responsible for their illness has filed for bankruptcy.

Who establishes the trust?

Companies establish the trusts but trustees manage them and decide the amount of compensation to be paid to claimants.

Who administers the trust?

Once a trust becomes operational, its administration is split between the trustees, the Trust Advisory Committee (typically representatives of asbestos claimants) and legal representatives of future claimants ("FCR").

How is the trust funded?

Trusts are often funded with cash, insurance, reorganized debtor stock, and other assets provided by the debtor company.





Bankruptcy Trust Claim Legal Process

1 Select a Trust

The attorneys and paralegals working on your case select an appropriate trust according to your work history.

We only file claims with trusts set up on behalf of a company that exposed you to asbestos.

2 Review Trust Criteria

Trusts establish criteria that claimants must meet in order to make a successful claim. This criteria is often published on the trust's website and often includes:

- **Proof of exposure** - Establishing where/when the asbestos exposure occurred
- **Proof of diagnosis** - Proof of diagnosis of mesothelioma or other asbestos-related disease
- **Proof of products used** - Information about products or materials used that contain asbestos

3 Provide Evidence

We may provide some of the following documentation, which likely has been gathered during the discovery phase of your civil case:

- Medical records including X-rays, pathology reports, biopsies
- Statement drafted by physician confirming the diagnosis
- Addresses where exposure occurred
- Witness testimony or affidavits
- Names of others who may be familiar with the exposure
- Names, addresses, phone numbers of work colleagues
- Employment records
- Tax records
- Social security records
- Union membership records
- Military service records

4 Filing a Trust Claim

Depending on the fund, this may require sending paper documentation or uploading documentation through an online website.

5 Claim Review

Once we file a claim, the trust fund administrators will review it.

Claims are evaluated and reviewed according to the trust's processing line which is first in, first out.



6 Claim Liquidation

Once a claim is validated, a specific amount of money will be determined and assigned to the claim.

Once the claim is liquidated, the trust will provide us with an offer.

We either accept this offer and enter your claim into the payment queue, or we refuse it and have your claim entered into alternative dispute resolution until an acceptable amount can be agreed upon.

7 Payment

You will receive payment for your claim based on the date you were entered into the payment queue.

Because trusts cannot afford to pay every claim in full, trusts pay a percentage of the awards determined by a rate known as the payment percentage.

To determine your actual award, the trust will multiply the liquidated value of your claim by the set payment percentage.

For example: If your award is \$100,000 and the payment percentage is 25%, then the amount you will receive is \$25,000.

Payment percentages can change over time and are different for each trust.

Frequently Asked Questions

How long does the bankruptcy trust claims process take?

The process can take up to several years.

Gathering all of the necessary information and documentation can take some time.

Some trust administrators handle claims and make offers quickly, while others are very slow.

Do I have to give testimony or go to trial?

No.

How much compensation can I expect to receive?

The value of a successful claim varies widely depending on the severity of the injury sustained and the payment schedule established by the trust.

When will I receive my compensation?

The time it takes to plan, establish, and begin asbestos payouts from a trust can take anywhere from a few months to several years.

Since filing my claim I have been diagnosed with cancer. Can I file another claim?

In most cases, non-cancer claimants can file again in the unfortunate event of a future cancer diagnosis.

Most trusts will allow new claims to be filed for higher compensation amounts based on the new cancer diagnosis.



Can a claim be made on behalf of a victim who is now deceased?

Yes, compensation to surviving family members is allowed. Proceeds for deceased victims are distributed to their heirs according to state law.

Can I claim against more than one trust?

Yes, there is no limit to the number of trusts you can claim against as long as you have sufficient evidence to support your claims.

If new trusts open as time passes, future claims may be possible.

Why can't I get all of the money I claim?

Most trusts do not have enough money to meet the compensation demands of all present and future claims, thus they offer asbestos victims a set percentage of their claims.

The amount of compensation is limited so that the trust can ensure that there will be enough money to pay future claimants who will be diagnosed in the future.

To determine your actual award, the trust will multiply the liquidated value of your claim by the set payment percentage.

Payment percentages can change over time and are different for each trust.

My trust payments have increased/decreased. Why is this?

When the future liability expectations of a trust increase, the trust typically decreases the claim payments made to claimants so that they can ensure that there is enough money in the trust to pay all future claims in an equitable manner.

When the future liability expectations of a trust decrease, the trust typically increases the claim payments made to claimants to maximize claim payments.

My claim was successful but I haven't received any payments yet. Why is this?

Trusts only pay out a limited amount of money per year. If your claim is successful but the money set aside for the year has already been paid out, then your claim will be put on a waiting list for payment once the trust resumes distribution the following year.

I did not file a lawsuit within the specified period of time. Does that mean I am also barred from filing a bankruptcy trust claim?

No. The statute of limitations varies so you may be eligible to file a claim even if the time for bringing a mesothelioma lawsuit has passed.

If I file a claim for compensation from a bankruptcy trust does that mean I cannot file a suit against an existing company or manufacturer?

No, but the amount of compensation you receive may be affected.

If you receive compensation from a trust, a defendant company may deduct the amount of that compensation from a court award. This is called a setoff.





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