

## Notice of Revision of Administrative Hold of November 8, 2005

Three categories of Claims were placed on administrative hold by the Trust:

- I. Any Claim for which supporting medical evidence was submitted by Certain Doctors and Screeners previously identified by the Trust;
- II. Any Claim for which the claimant was a plaintiff in *In Re: Silica Products Liability Litigation*. Case No. MDL 1553, U S District Court for the Southern District of Texas, Corpus Christi Division; and,
- III. Any Claim for which the Claimant had a previous claim for an asbestos related personal injury.

**The Trust has now had claims experience sufficient to reconsider the administrative hold and hereby removes the administrative hold for categories II and III.**

Historically the Halliburton entities, with few exceptions, did not honor silica claims if the claimant had an asbestos related disease on the premise that both silica related disease and asbestos related disease very rarely arise in the same person. This premise was a prime consideration of the court's opinion in the silica MDL, which revealed questionable diagnostic practices in silica claims litigation.

The Trust engaged Dr. Gary Friedman as a consultant and medical claim auditor. His testimony in the silica MDL was the primary medical basis for the court's opinion. Dr. Friedman has advised the Trust that the presence of diseases related to both asbestos and silica is rare. He quantified the term "rare" as occurring as frequently as mesothelioma on an annual basis.

The Trust Distribution Procedures (TDP) addresses dual diagnosis claims in several relevant sections, to which we direct your attention.

The last paragraph of 2.1 provides:

*Nothing in this Silica TDP shall prevent a claimant with a claim in Disease Level IV (Complex Silicosis) from asserting a claim against both the Asbestos PI Trust and the Silica PI Trust; provided, however, that the claimant satisfies the applicable medical and exposure criteria for recovery under the respective TDP, and provided further that claimants asserting claims for mixed dust pneumoconiosis may not recover from the Silica PI Trust, but must submit their claims to the Asbestos PI Trust.*

*Claimants asserting claims in Disease Level III (Lung Cancer) may elect to recover either from the Asbestos PI Trust or the Silica PI Trust, but not both.*

*No payment may be made to a Disease Level I or II [Silicosis and Severe Silicosis] claimant who has previously submitted claims to the Asbestos PI Trust and been paid on account of such claims; provided, however, that such claimant may seek Individual Review of such claim if the*

*claimant believes that recovery from both trusts is appropriate. In that event the Trustee may determine on a case-by-case basis the appropriateness of permitting such claimant to submit a claim for Disease Level I or II [Silicosis and Severe Silicosis], provided that the claimant meets the relevant medical/exposure criteria under this TDP.*

Section 2.2 provides for the liquidation procedure and is relevant to the above. It provides:

*Claims involving Disease Levels I-IV that do not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level may undergo the Silica PI Trust's Individual Review process described in 4.2(b). In such a case, notwithstanding that the claim does not meet the presumptive Medical/Exposure Criteria for the relevant Disease Level, the Silica PI Trust can offer the claimant an amount up to the scheduled value of that Disease Level, if the Silica PI Trust is satisfied that the claimant has presented a claim that would be cognizable and valid under the tort system.*

**Caveat:** Payment under this provision for Level I is an Additional Level I claim payment under the TDP. Under the terms of the confirmation order, plan and funding documents, the Reorganized Debtors are required to replenish the corpus of the Trust annually. However, they do not replenish for any payments made to Additional Level I claimants. Any payment to an Additional Level I claimant is subject to the restrictions of Section 6.11 and will reduce the corpus of the Trust permanently. Therefore, such claims require a compelling reason for payment because of potential prejudice to future claimants. These claims will be subject to the heightened scrutiny, even if they do not involve an asbestos and silica exposed person. **Please review Section 6.11 carefully.**

Section 4.3(b)(1)(A) sets forth the detail regarding Individual Review for Level I:

*The Silica PI Trust's Individual Review Process ("Individual Review") provides a claimant with an opportunity for individual consideration and evaluation of a Silica Unsecured PI Trust Claim (I) if the claim fails to meet the presumptive Medical/Exposure Criteria for Disease Level I or (ii) if the claimant had previously had a claim to the Asbestos PI Trust and been paid on account of such claim. In either case, the Silica PI Trust shall either deny the claim, or, if the Silica PI Trust is satisfied that the claimant has presented a claim that would be cognizable and valid in the tort system, the Silica PI trust can offer the claimant a liquidated value amount up to the Scheduled Value of that Disease Level.*

Section 4(b)(2) provides the valuation factors to be considered by the Trust under Individual Review which is not limited to Scheduled Values. In relevant part it provides:

*....the Silica PI Trust will thus take into consideration all of the factors that effect the severity of damages and values within the tort system including, but not limited to ....(iii) evidence that the claimant's damages were (or were not) caused by silica exposure and not asbestos including Company Exposure as defined in section 4.7(c) below prior to December 31, 1982, (for example, alternative causes and the strength of documentation of injuries)*

**The administrative hold based on Category I continues unchanged. To terminate the hold the claimant must withdraw the medical evidence subject to the hold and replace it with medical evidence from physicians and screeners not listed in the hold provision.**