EXHIBIT I

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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: CV-91-875
IN RE: ASBESTOS LITIGATION, : CV-90-3973
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U.S. Courthouse
Brooklyn, New York

CIVIL CAUSE FOR HEARING

December 13, 2001
Ten o'clock a.m.

BEFORE:

HONORABLE JACK B. WEINSTEIN
HONORABLE BURTON R. LIFLAND

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THE COURT: Good morning, everybody.

We are very pleased to see you all. It is very gracious of you to come all the way out to Brooklyn. This hearing is called because we have received the last financial statement and record from the Trust, the period ending September 30th, and we have noted there is a continuing rise in the number of claims, and that the amounts paid pro-rata on the claims have been proposed by the Trust as we understand it to be reduced from ten to five percent because there simply is not enough money available to pay at the ten percent rate, and we have taken judicial notice of the continuing media and other campaigns encouraging the flood of new claims, many of them of people who are not at the moment suffering but may show some signs and possible future suffering.

We have also taken judicial notice of the fact there have been more than a score of bankruptcy filings as a result of part of the increased number of claims, and the increasingly broad scope of the claims as they have been applied in companies and new theories. All of this suggesting in addition to the extensive submissions we have received, which I have here as a result of this proposed hearing, that there may be a misallocation of the funds that may be available to those least in need.

We are dealing with a matter that is involved in the order of some fifty billion dollars of claims that have been

or will be paid, and what happens in the Manville Trust, which has been a bellwether in this field, will obviously have an impact throughout the nation and related industries. Since this is a matter of concern to us directly and of concern to many others, this hearing is called. The clerk has listed in order for presentation Mr. Dave Austern, Mr. Inselbuch, Mr. Leslie Gordon Fagen, Steven Kazan, Mark Iola, and any other counsel or party who wishes to be heard. If you wish to be heard and you are not listed, if you will come up to my law clerk or one of Judge Lifland's law clerks, your name will be added.

Do you want to add anything?

JUDGE LIFLAND: No, I think you have expressed our concerns, and with respect to the bankruptcy matters I am now seeing a situation where, indeed, misallocation and the mustering of claimants becomes a constipating factor in making any kind of realistic distribution and it brings to light the fact that there is a litigation in industry which is something that we have to focus on with respect to finding ways to correctly allocate available resources.

THE COURT: Mr. Austern, would you please begin.

MR. AUSTERN: Good morning, Your Honors. I am Dave Austern. I am general counsel of Manville Trust. I appear here on behalf of the Trust and as well as on behalf of two of its trustees here, Mr. Falise and Mr. Klein. I think I

can tell you that Dr. Macchiarola, another trustee, will also be here but I believe he will be delayed. We are responding to the court's order of November 7, 2001.

Your Honor, I have a presentation I would like to make with respect to some Trust data. We have handed out copies I hope to everyone but if people do not have copies, there are some more up here and Mr. Hall can perhaps distribute them.

THE COURT: I think we might have them. Could we get another set please, two sets.

MR. AUSTERN: I do have some preparatory comments I would like to make first. First I would like to correct what may be a misreading of the Trustee's letter to the Court. There is a statement in the letters to the effect that there have been some meetings with the selected counsel for the beneficiaries representing the plaintiffs' bar as well as Mr. Fagen and others concerning possible changes to our Trust

claims, I guess. Maybe not. In any event, it is not a singular tort system we have.

MR. INSELBUCH: There never was, Judge.

JUDGE WEINSTEIN: It has become more diverse with all of these so-called reforms.

MR. INSELBUCH: I'm not sure that's so either, but whatever it is, it is.

JUDGE WEINSTEIN: Right.

MR. INSELBUCH: We have 50 jurisdictions. Each one of them addresses torts, asbestos torts in its own way, and when we deal with a plan we have to take account for the many different ways that the tort system does address asbestos liabilities.

The Court will remember with some pain I suspect that we went to the 2d Circuit and they scolded us and sent us back because we hadn't accounted for certain aspects of the tort system which we then had to refer and the Court was required to appoint additional representatives so that we did that in a proper way.

JUDGE WEINSTEIN: Incidentally, is there anybody from these third-party claimants' groups that want to speak today that are on the list?

MR. PODESTA: Roger Podesta. I put my name on the list in case I had something to say. I was one of the subclass counsel for the codefendants.

JUDGE WEINSTEIN: As long as they have some input because they are important. Fine.

MR. INSELBUCH: So, I think two issues have arisen that -- two principal issues have arisen in connection with the Manville Trust and in connection with all asbestos litigation that have not yet been resolved on a factual basis. One, there have been a lot more claims filed in a very recent period of time. What does that mean? Does that mean that we've ramped up? We are going to work from that forever as in some sense the trust's projections reflect? Is this a blip? If it is a blip, why is it a blip? What does it mean to us?

Second -- actually, there are three issues. Second

issue is in that new group of claims or larger group of claims are we seeing claims different from the claims we saw before? Are they sufficiently different that they implicate the provisions of the TDP that said wait a minute, that's not what we were talking about? If that's so, what do we do about that?

Third, have the relative values in the tort system in general changed from what we saw reflected -- what we imported into the TDP and have been following?

Interestingly enough, until quite recently there was very little argument about any of these points. Until the year 2000, in fact until somewhere into the year 2000, when we had a combination of things happen all at once, people began to say this is important, we should focus on it. What happened? Claims went up dramatically. Eight major asbestos defendants went into Chapter 11. All of a sudden people realized we now have a large zero sum. This is no longer a situation where each claimant can go into the tort system and get whatever his or her right share of the pot ought to be. We are moving away from that and we have to do something to accommodate all of the competing interests.

I can assure the Courts that we have been working diligently on that problem.

JUDGE WEINSTEIN: Well, I think both of us appreciate your importance in this endeavor and, also, Mr. Peterson's in integrating the total structure of payments because they are all in a sense interrelated. What happens in one bankruptcy will have an effect on the other.

MR. INSELBUCH: What I'm saying to the Court is under the terms of the TDP, which is the governing document that affects the Manville Trust as it exists today, there are three fiduciaries charged with responsibility to worry about these problems, sort through them, exercise their fiduciary judgment and move on and continue observing.

JUDGE WEINSTEIN: Who is the three fiduciaries?

MR. INSELBUCH: Three fiduciaries are the trustees themselves, the futures representative and the selected counsel for the beneficiaries.

JUDGE WEINSTEIN: There is a possible fourth?

MR. INSELBUCH: The Court.

JUDGE WEINSTEIN: The chancellors. The chancellors.

MR. INSELBUCH: The chancellery?

JUDGE WEINSTEIN: Yes.

MR. INSELBUCH: Possible fourth. We are here, your Honor --

JUDGE WEINSTEIN: We haven't stated that we have or will utilize any power. We're just here at the moment as observers.

MR. INSELBUCH: But I would --

JUDGE LIFLAND: Concerned observers.

MR. INSELBUCH: We are all concerned observers, but some people have the responsibility to take action here. I can assure the Court that they are aware of that responsibility. They are working on this. It's not easy, the facts are difficult to understand completely, but it is their job and they are dutiably attempting to come to grips with a resolution that will not only, not only I suspect satisfy these Courts that they've done what they're supposed to do,