EXHIBIT C

before November 21st, 1997, by the Baron & Budd firm?

MS. BROWDY: Objection, foundation.

You can answer if you can.

THE WITNESS: Yes, it was.

BY MR. FINCH:

Q. And it resulted in a verdict against Grace in favor of the plaintiffs in a total amount of $9.35 million?

A. Yes, it did.

Q. And that case was subsequently settled by Grace?

A. Yes, it was.

Q. And can you look at the answer to interrogatory - look on -- Can you determine from looking at Hughes Exhibit 2 what the settlement - ultimate disposition amount for those cases was?

A. Yes, I can.

Q. And what was the disposition amount for the cases referenced in Hughes Exhibit 3?

A. Well, it appears that Line 50 and 51 on Exhibit 2, the numbers.

Q. What are the numbers?

A. $3,979,272.60 for Mrs. Williams and

$2,335,986 for Mr. Norsworthy.

Q. What type of evidence did Grace accept from plaintiffs to - in order for Grace to determine that they had submitted sufficient evidence of exposure to a Grace asbestos-containing product to offer them a settlement?

MS. BROWDY: Objection, overbroad.

Do you mean for these two people or --

MR. FINCH: No, in general. In the 1995 to 1998 time frame.

THE WITNESS: Well --

MS. BROWDY: Okay. Then I'm going to object as overbroad as to time; but you can answer if you can.

THE WITNESS: Again, I can't answer the question without making sure you understand that the difference between the documentary evidence, the adequacy of evidence that was acceptable and the quality of the evidence and the fact that under the - in the tort system we were unable to -- There was no mechanism in the tort system to verify the accuracy and legitimacy of the evidence that was being submitted.

BY MR. FINCH:

Q. Are you finished with your answer?

A. And as a result, when you say what was acceptable, we -- What we found to be acceptable and what we accepted, as is documented in settlement agreements, is documentary evidence of exposure to a Grace product and an asbestos-related disease.

Because of the failings in the tort system, because of the practices of the asbestos plaintiffs' bar, which are described in part in Hughes Exhibit 3, which I would love to go into detail with you if you'd like, in the third paragraph, we had no way of questioning without spending millions and millions of dollars in unnecessary legal fees, in trial costs to prove that the evidence - the documentary evidence, both medical and product, that was being submitted to us was - had significant, significant problems with it. And I can go into great detail with you if you'd like about the problems; they're well-documented; they've been acknowledged by the United States Supreme Court; there have been Law Review articles written about it. So, I want you to understand when you say, yeah, product - evidence of product exposure and exposure to Grace products in evidence of an asbestos-related disease, yes; but with the caveat that, under the current tort system and the

tort system existing between '95 and, in fact, earlier than that, I, personally, and most members of the asbestos defense bar. And, quite frankly, most legitimate, objective observers of the asbestos litigation realized that there was a significant amount of questionable product exposure evidence and medical testimony being admitted in asbestos personal injury cases.

Q. These were cases that were filed in courts; right?

A. Yes, they were.

Q. Grace had the opportunity to depose plaintiffs in these cases; didn't they?

MS. BROWDY: Objection.

THE WITNESS: After being --

MS. BROWDY: Overbroad.

You can answer if you can.

THE WITNESS: Plaintiffs that, one, had been prepared for their testimony using improper techniques - that's proven, documented - in terms of product exposure. That had been - in -- Leaving aside the quality, the sheer volume of the cases and the resources available to the courts and the resources available to the company to defend the case made

an individual trial of the individual cases impossible.

Again, you can sit here and talk about the perfect world and say that we have a civil justice system that allows, and why don't we go into court and try every individual case. But we had a situation where there were hundreds of thousands of cases being filed.

MS. BROWDY: Excuse me, were you finished with your answer?

THE WITNESS: No.

In a situation where there's hundreds of thousands of cases being filed and where there was objective, documentary evidence being submitted that met the - the bare-bones requirements of the law, even though we knew and were well aware that there were significant problems with the credibility of most of this evidence and, but for the problems associated with the volumes of the cases, the money associated with the case, that these cases probably were not legitimate claims against Grace, we were forced to pay them.

BY MR. FINCH:

Q. You were forced to pay them or else the

plaintiff's lawyer would take you to trial in the cases; right?

A. Yes.

Q. And when Grace went to trial in other cases, the average amount per case in the cases that went to trial, counting defense verdicts and plaintiff verdicts, was over $800,000 per case; isn't that right, Mr. Hughes?

MS. BROWDY: Objection.

THE WITNESS: But --

MS. BROWDY: Objection, overbroad, lack of foundation.

You can answer if you can.

THE WITNESS: But the cases that we tried are in no way, in any way, shape or form representative of the vast majority of the asbestos cases that were pending in America at the time of these trials.

MS. BROWDY: Are you done with your answer?

THE WITNESS: In fact, I would go one step further and say that the cases pending - that at least 80 to 90 percent of the cases that were pending at the time would have been difficult to present any kind of testimony even to meet a bare-bones standard if they were allowed to

proceed to trial.

BY MR. FINCH:

Q. Well, isn't it true that Mr. Restivo -- Well, Grace didn't - leaving aside the trials, Grace did not pay every asbestos personal injury claim submitted to it; did it?

A. No, fortunately, some jurisdictions, they actually had the foresight and the ability to set up procedures that actually gave the defendants the ability to substantively defend these - the quality of these cases.

Q. But isn't it true that Grace, up until, say, 19- - early 1998 only paid settlements to approximately 80 percent of people who submitted claims to it?

MS. BROWDY: Excuse me, what was the year?

MR. FINCH: Up until early 1998.

MS. BROWDY: Objection, overbroad, lack of foundation.

You can answer if you can.

THE WITNESS: I will agree that Grace did not pay every claim. And there was a significant number of cases that were disposed of without payment by Grace.

BY MR. FINCH:

Q. You have what's been previously marked as Rourke Exhibit 18 in front of you, Mr. Hughes?

A. Uh-huh.

MS. BROWDY: Do you have extra copies of that?

MR. FINCH: Maybe.

MR. AIZLEY: If it was used yesterday --

MR. FINCH: It was used yesterday.

MR. AIZLEY: -- I've got a copy.

BY MR. FINCH:

Q. What's the date of the document, Mr. Hughes, the first page of the document?

A. Cover letter?

Q. Yes.

A. January 20th, 1998.

MR. FINCH: Stacy, are there extra copies of Port Number 30 in the box?

BY MR. FINCH:

Q. Mr. Hughes, do you have what has previously been marked as Rourke 18 in front of you?

A. Yes, I do.

Q. Do you know Dan Rourke?

A. Yes, I do.

Q. Who is Dan Rourke?