

APPENDIX A – COMPARISON OF VARIOUS ESTIMATION METHODOLOGIES¹

ISSUE	DR. DUNBAR	DR. VASQUEZ	DR. PETERSON	DR. RABINOVITZ
NSP SURGE	<p>Conclusion: NSP caused an unsustainable surge in claims.</p> <p>Support: Written analysis demonstrated that NSP claims were much older than claims had been historically.ⁱⁱ</p>	<p>Conclusion: NSP caused an unsustainable surge in claims.</p> <p>Support: Written analysis demonstrated that NSP claims were much older than claims had been historically.ⁱⁱⁱ</p>	<p>Conclusion: NSP surge "not even an issue" in this case.</p> <p>Support: No written analysis as to "whether or not increase in claims under the NSP was an anomalous surge or something that would continue."^{iv}</p>	<p>Conclusion: NSP caused claims increase that needed to be "smoothed out." Did not remove full effect of NSP surge.</p> <p>Support: Incomplete analysis which fails to rely on all available data.^v</p>
INCREASING PROPENSITY TO SUE MODEL	<p>Conclusion: Rejected increasing propensity to sue model.</p> <p>Support: Increase inconsistent with Owens Corning historical experience.^{vi}</p>	<p>Conclusion: Rejected increasing propensity to sue model.</p> <p>Support: Increase inconsistent with Owens Corning historical experience.^{vi}</p>	<p>Conclusion: Projected increase in claims filing adding \$2.7 billion to forecast.</p> <p>Support: Used Manville and National Gypsum experience from 1993-1994 and 1996-1997 (not Owens Corning data) to calculate nonmalignant multiplier.^{vii}</p>	<p>Conclusion: Rejected increasing propensity model.</p> <p>Support: Inconsistent with Owens Corning historical experience.^{ix}</p>
AGE ADJUSTMENT TO PROPENSITY TO SUE	<p>Conclusion: Propensity to sue Owens Corning decreases as claimants age.</p> <p>Support: Analysis of Owens Corning historical database.^x</p>	<p>Conclusion: Propensity to sue Owens Corning decreases as claimants age.</p> <p>Support: Analysis of Owens Corning historical database.^{xi}</p>	<p>Conclusion: No adjustment based on claimant age.</p> <p>Support: No written analysis.^{xii}</p>	<p>Conclusion: No adjustment based on claimant age.</p> <p>Support: No written analysis.^{xiii}</p>
KPMG V. NICHOLSON MODEL	<p>Conclusion: Used data substantially similar to KPMG but removed workers with primary exposure to non Owens Corning products.</p> <p>Support: Testing showed KPMG data more closely tracks actual incidence of mesothelioma.^{xiv}</p>	<p>Conclusion: KPMG data is superior.</p> <p>Support: Testing showed KPMG data more closely tracks actual incidence of mesothelioma.^{xv}</p>	<p>Conclusion: Used unmodified Nicholson data.</p> <p>Support: Believed Nicholson data matched government statistics on incidence, but did not statistically demonstrate accuracy of conclusion.^{xvi}</p>	<p>Conclusion: KPMG data is superior.</p> <p>Support: KPMG used more current data to project future incidence than Nicholson.^{xvii}</p>
AGE ADJUSTMENT TO CLAIM VALUES	<p>Conclusion: Claim values decrease as claimants age.</p> <p>Support: Multiple regression analysis revealed "statistically significant" difference in claim values by age of claimant.^{xviii}</p>	<p>Conclusion: Claim values decrease as claimants age.</p> <p>Support: Analysis showed that "the older the claimant, the less the settlement amount."^{xix}</p>	<p>Conclusion: No adjustment based on claimant age.</p> <p>Support: No written analysis. Dr. Peterson has adjusted claim values for age in previous cases.^{xx}</p>	<p>Conclusion: No adjustment based on claimant age.</p> <p>Support: No analysis of "whether age tended to correlate with settlement amounts to comparable disease."^{xxi}</p>
PUNITIVE DAMAGES ADJUSTMENT	<p>Conclusion: Decreased historical claim values to reflect impact of punitive damages.</p> <p>Support: Extensive analysis of Owens Corning's database. Recognized that "the threat of punitive damages at trial" inflated the settlement value of claims.^{xxii}</p>	<p>Conclusion: Decreased historical claim values to reflect impact of punitive damages.</p> <p>Support: Discussions with Owens Corning lawyers that NSP settlements included punitive damages component. Multiple regression analysis of impact of punitive damages.^{xxiii}</p>	<p>Conclusion: No adjustment for punitive damages.</p> <p>Support: No written analysis of "the extent to which punitive damages or the risk thereof impacted the pre-bankruptcy claims values paid by Owens Corning."^{xxiv}</p>	<p>Conclusion: No adjustment for punitive damages.</p> <p>Support: No quantification of the impact of punitive damages on settlements.^{xxv}</p>
VERDICT ADJUSTMENT	<p>Conclusion: Decreased historical claim values to remove impact of verdicts.</p> <p>Support: Analysis of database to determine impact of verdicts. Verdicts will not occur in bankruptcy resolution of claims.^{xxvi}</p>	<p>Conclusion: Decreased historical claims values to remove impact of verdicts.</p> <p>Support: Analysis of database to determine impact of verdicts. Verdicts will not occur in bankruptcy resolution of claims.^{xxvii}</p>	<p>Conclusion: No adjustment for impact of verdicts.</p> <p>Support: Analysis assumed claims would be resolved as they were in the pre-petition world.^{xxviii}</p>	<p>Conclusion: No adjustment for impact of verdicts.</p> <p>Support: Analysis assumed claims would be resolved as they were in the pre-petition world.^{xxix}</p>
PAYMENTS TO UNIMPAIRED CLAIMANTS	<p>Conclusion: Unimpaired claimants paid either \$1,000 or \$0.00 – impaired nonmalignant claimants paid more.</p> <p>Support: NSP future values, provisions of many non-NSP agreements and NSP agreements for current claimants. ability of court to distinguish between people with injury and people without injury.^{xxx}</p>	<p>Conclusion: Under Method I, unimpaired claimants paid \$1,000 – impaired nonmalignant claimants paid more.^{xxxi}</p> <p>Support: NSP future values and provisions of many NSP agreements for current claimants.^{xxxii}</p>	<p>Conclusion: Unimpaired nonmalignant claimants paid same amount as impaired nonmalignant claimants.</p> <p>Support: Projected values without distinguishing between impaired claimants and unimpaired claimants.^{xxxiii}</p>	<p>Conclusion: Unimpaired nonmalignant claimants paid same amount as impaired nonmalignant claimants.</p> <p>Support: Assumes that impaired claimants cannot be distinguished from unimpaired claimants.^{xxxiv}</p>

END NOTES TO APPENDIX A

ⁱ In addition to the issues highlighted in this chart there are certain other differences between the methodologies of the various experts – including between Dr. Dunbar and Dr. Vasquez – such as their approaches to dismissal rates, discount rates, and whether they adjust to account for overreading by certain B-readers. These other differences in the methodologies (and the merits of Dr. Dunbar’s approach) are fully addressed in our brief in Section III(e)(f)&(g).

ⁱⁱ (See CSFB Ex. 159 at 11; Dunbar, 1/19/2005 a.m. tr. 43-44; Dunbar 1/19/2005 p.m. tr. 10-12.)

ⁱⁱⁱ (See Vasquez, 1/20/2005 a.m. tr. 25-31.)

^{iv} (See Peterson, 1/17/2005 p.m. tr. 11.)

^v (See Rabinovitz, 1/18/2005 a.m. tr. 24-25, 83-84; Vasquez, 1/20/2005 p.m. tr. 15-17.)

^{vi} (See Dunbar, 1/19/2005 a.m. tr. 43-44; Dunbar 1/19/2005 p.m. tr. 10-12.)

^{vii} (See Vasquez, 1/20/2005 a.m. tr. 25-31, 33-34.)

^{viii} (See Peterson, 1/17/2005 p.m. tr. 56-57.)

^{ix} (See Rabinovitz, 1/18/2005 a.m. tr. 24-25.)

^x (See Dunbar, 1/19/2005 p.m. tr. 13-17.)

^{xi} (See Vasquez, 1/20/2005 a.m. tr. 39-40.)

^{xii} (See Vasquez, 1/20/2005 a.m. tr. 41.)

^{xiii} (See Rabinovitz, 1/18/2005 a.m. tr. 85.)

^{xiv} (See Dunbar, 1/19/2005 a.m. tr. 46-49.)

^{xv} (See Vasquez, 1/20/2005 a.m. tr. 36-37.)

^{xvi} (See Peterson, 1/17/2005 a.m. tr. 53-57.)

^{xvii} (See Rabinovitz, 1/18/2005 a.m. tr. 31-32.)

^{xviii} (See Dunbar, 1/19/2005 p.m. tr. 54-55.)

^{xix} (See Vasquez, 1/20/2005 a.m. tr. 18-19.)

^{xx} (See Vasquez, 1/20/2005 a.m. tr. 41; Peterson, 1/17/2005 a.m. tr. 94.)

^{xxi} (See Rabinovitz, 1/18/2005 tr. 85-86.)

^{xxii} (See Dunbar, 1/19/2005 p.m. tr. 51-52; CSFB Ex. 307.)

^{xxiii} (See Vasquez, 1/20/2005 a.m. tr. 46-50; Vasquez, 1/20/2005 p.m. tr. 7-8; CSFB Ex. 12 at 70-71.)

^{xxiv} (See Peterson, 1/17/2005 p.m. tr. 12-13.)

^{xxv} (See Rabinovitz, 1/18/2005 a.m. tr. 64.)

^{xxvi} (See Dunbar, 1/19/2005 p.m. tr. 58.)

^{xxvii} (Vasquez, 1/20/2005 a.m. tr. 45.)

^{xxviii} (Rabinovitz, 1/18/2005 a.m. tr. 37.)

^{xxix} (Peterson, 1/17/2005 a.m. tr. 42; PP Ex. 65 at 4-5; Vasquez, 1/20/2005 a.m. tr. 42.)

^{xxx} (See Dunbar, 1/19/2005 p.m. tr. 58-59; Leff, 1/13/2005 p.m. tr. 38-39, 60-62.)

^{xxxi} Under Method 2, Dr. Vasquez did not distinguish between impaired and unimpaired nonmalignant claims. (See CSFB Ex. 12 at 73, Table 4-6.)

^{xxxii} (See Vasquez, 1/20/2005 a.m. tr. 29-31, 59.)

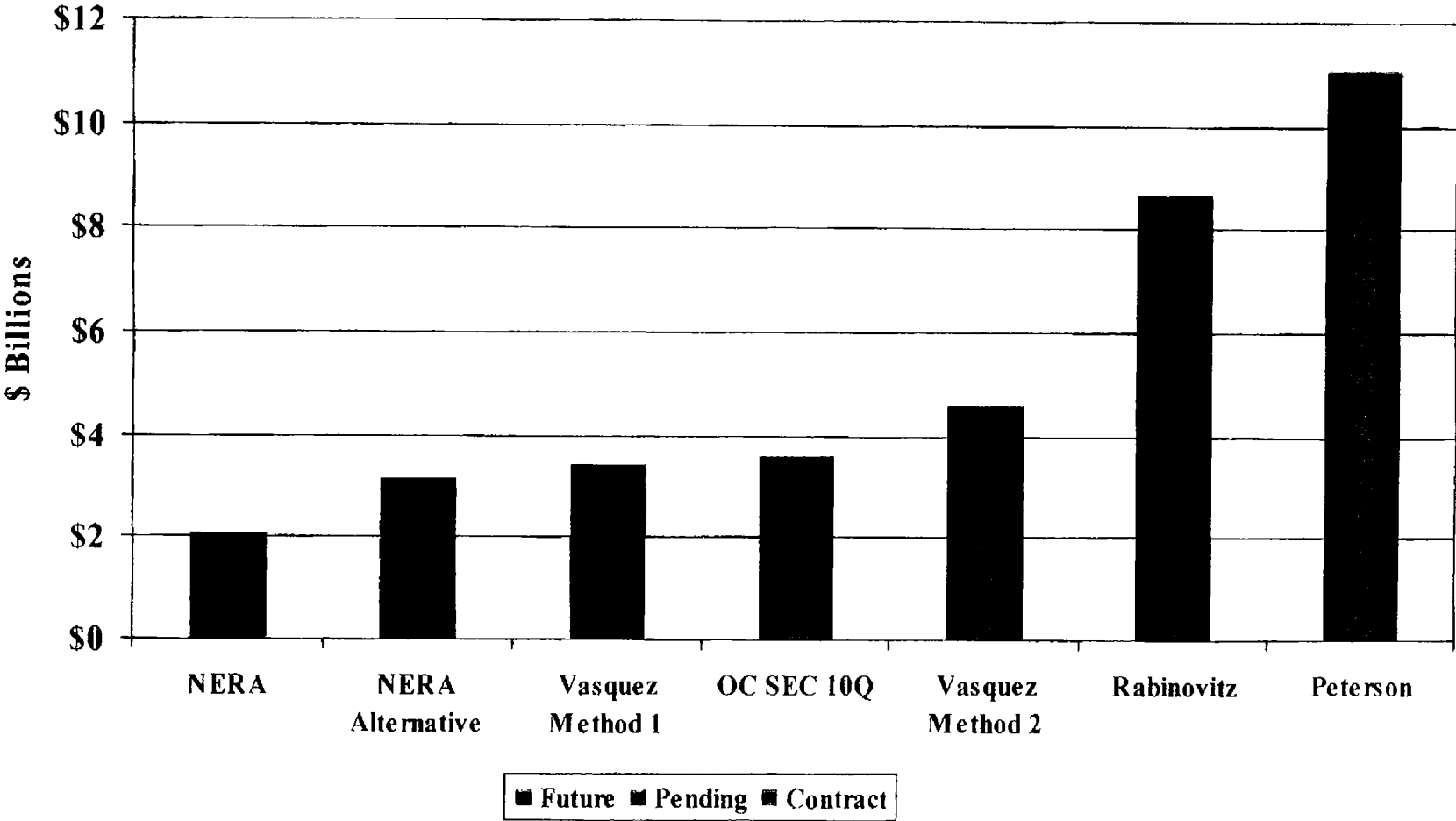
^{xxxiii} (See, e.g., PP Ex. 65 at 27-28 (applying average indemnity amount to aggregate projected future non-malignant claims without distinguishing between impaired and unimpaired claims.)

^{xxxiv} (See Rabinovitz, 1/18/2005 p.m. tr. 22-23.)

Appendix B

**Comparison of Experts
Demonstrative Exhibit 310
(See 1/20/2005 p.m. tr. at 88,
argument of Mr. Miller.)**

Comparison of Forecasts



CERTIFICATE OF SERVICE

I, Rebecca L. Butcher, Esquire, do hereby certify that a true and correct copy of the foregoing **Post-Hearing Reply Brief of CSFB, As Agent, In Opposition to Plan Proponents' Motion for Estimation of Owens Corning's Pending and Future Asbestos Liabilities** was served this 18th day of February, 2005 on the attached list via hand delivery (**City of Wilmington addresses only**) and first class U.S. Mail.

In addition to the attached service list, a Chambers' copy of the Post-Hearing Reply Brief was mailed out today February 18, 2005 to The Honorable John P. Fullam via Federal Express Priority Mail Overnight Delivery.

Dated: February 18, 2005



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