

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
OWENS CORNING, <i>et al.</i> ,	:	Case No. 00-03837 (JKF)
Debtors.	:	Jointly Administered

Objection Deadline: August 6, 2004 at 4:00 pm
Hearing Date: August 23, 2004 at 10:00 a.m.
Before the Honorable Judith K. Fitzgerald
U.S. Bankruptcy Court, 824 North Market St.
Wilmington, DE 19801

**MOTION OF THE DEBTORS FOR ESTIMATION OF PRESENT AND FUTURE
ASBESTOS PERSONAL INJURY LIABILITIES**

Owens Corning and its affiliated debtors and debtors-in-possession (each a "Debtor" and collectively with Owens Corning, the "Debtors")*, by and through their undersigned attorneys, hereby seek an estimation of the Debtors' present and future asbestos personal injury liabilities ("Asbestos Liabilities"). In support of this Motion, the Debtors respectfully represent as follows:

1. On October 5, 2000 (the "Petition Date"), the Debtors filed voluntary cases for relief in this Court under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). Since the Petition Date, the Debtors have continued to manage and operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

* The Debtors are as follows: Owens Corning (f/k/a Owens Corning Fiberglas Corp.; dba Cultured Stone, OEM Solutions Group; Owens Corning Tanks; O/C Tanks Corporation; Western Fiberglass Inc.); CDC Corporation; Engineered Yarns America, Inc.; Falcon Foam Corporation; Integrex (dba INTEGREGX HOMEExperts, Integrex Testing Services LLC, HOMEExperts LLC, Owens Corning HOMEExperts); Fibreboard Corporation; Exterior Systems, Inc. (dba Norandex, Inc.; Fabwel Composites; AmeriMark Building Products, Inc.; Fabwel, Inc.; Fabwel Plastics; Owens Corning Metal Systems; Norandex/Reynolds; Norandex/Reynolds Distribution Company; Norandex Bldg. Products; and Reynolds Bldg. Products); Integrex Ventures LLC; Integrex Professional Services LLC; Integrex Supply Claim Solutions LLC; Integrex Testing Systems LLC; Homexperts LLC; Jefferson Holdings, Inc.; Owens-Corning Fiberglas Technology Inc.; Owens Corning HT, Inc.; Owens-Corning Overseas Holdings, Inc.; Owens Corning Remodeling Systems, LLC; and Soltech, Inc.

2. On October 23, 2000, the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Creditors' Committee") and an Official Committee of Asbestos Claimants (the "Asbestos Committee") in connection with these cases. By Order dated September 28, 2001, the Court appointed James J. McMonagle as the Legal Representative of Future Claimants (the "Futures Representative") in connection with these cases.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B).

I. BACKGROUND

A. Business of Debtors

4. Owens Corning, together with its Debtor and non-debtor affiliates (collectively, the "Company") is a world leader in the manufacturing and sale of building material and composite systems. The Company employs approximately 18,000 persons worldwide and is headquartered in Toledo, Ohio.

5. The Company produces and sells insulation, roofing systems, and exterior systems for the home, and glass fiber materials used in composites. The Debtors conduct their manufacturing, distribution and sales operations primarily in the United States, but the Company has operations worldwide.

6. Over the last four (4) years, the Company has had net sales of approximately \$5.0 billion per year. Excluding asbestos litigation claims, the Company has been profitable for years.

7. A substantial number of claims have been asserted against Owens Corning and Owens Corning is likely to be subject to substantial future "demands" (as said term is defined in

Section 524(g) of the Bankruptcy Code) by persons alleging personal injuries arising from inhalation of asbestos fibers. Virtually all of these claims and demands arise out of Owens Corning's manufacture, distribution, sale or installation of an asbestos-containing calcium silicate, high temperature insulation product generally sold under the tradename "Kaylo," the manufacture and distribution of which was discontinued in 1972.

8. A substantial number of claims have also been asserted against debtor Fibreboard Corporation ("Fibreboard"), an Owens Corning subsidiary, and Fibreboard is likely to be subject to substantial future demands by persons alleging personal injuries arising from inhalation of asbestos fibers. Prior to 1972, Fibreboard manufactured asbestos-containing products, including insulation products.

9. The Debtors commenced these Chapter 11 cases to protect the Company's business and value for all of its constituents, and to resolve all claims, including asbestos claims and demands, asserted and to be asserted against it.

B. Plan of Reorganization

10. On January 17, 2003, the Debtors, Asbestos Committee and Futures Representative (jointly, the "Plan Proponents," and the Asbestos Committee and Futures Representative together, the "Co-Plan Proponents") filed their Joint Plan of Reorganization for Owens Corning and its Affiliated Debtors and Debtors-In-Possession. On October 24, 2003 the Plan Proponents filed a Fourth Amended Joint Plan of Reorganization for Owens Corning and its Affiliated Debtors and Debtors-In-Possession (as it may be further amended from time to time, the "Plan"). On December 2, 2003, this Court issued its Order Conditionally Approving Disclosure Statement.

11. On June 7, 2004, Owens Corning filed a Term Sheet (the “Term Sheet”) amongst the Plan Proponents and the Official Representatives of the Bondholders and Trade Creditors, setting forth an agreement under which the Official Representatives of the Bondholders and Trade Creditors would join in support of the Plan, subject to certain modifications to the Plan in accordance with the Term Sheet.

12. The Plan contemplates the establishment of a channeling injunction pursuant to Section 524(g) of the Bankruptcy Code. Under this provision, a debtor which has liability for personal injury and wrongful death asbestos claims, upon satisfaction of certain provisions, may have all such liabilities, including present and future asbestos claims (such future claims are referred to in the Plan as demands) channeled to a trust established under the plan, which will assume all such liabilities. In this manner, the debtor may reorganize completely free from asbestos liabilities. The Section 524(g) trust is funded in such a manner so that it may evaluate, liquidate and pay all such asbestos claims and demands in substantially the same manner.

13. The Debtors and all major creditor constituencies have identified two (2) critical issues in these Chapter 11 cases, which are: (1) the proposed substantive consolidation of the Debtors, and (2) the estimation of Asbestos Liabilities.

14. The Plan provides for an estimation of the of the Debtors' Asbestos Liabilities. Such estimation is necessary to determine whether the Plan satisfies Section 1129 and Section 524(g) with respect to its allocation of distributions to classes of creditors and the Section 524(g) trust. This Court has recognized the necessity of such a valuation process as part of the process of confirmation of the Plan:

THE COURT: You can file your motion, that way any party can object if they disagree with the fact that you want an estimation hearing. I'm not sure why, because it's, in my view, part of the plan

process. That's all I see an estimation hearing for. I see no other benefit, no other need, in fact, no other justification for it. So, I think it has to be part of the plan process.

Transcript of Hearing before the Hon. Judith K. Fitzgerald, July 19, 2004 ("July Tr.") at 104.

15. The Court also recognized that the process can result either in an estimation or a range of estimates necessary to determine Plan confirmation:

THE COURT: Well, the estimation hearing, everybody knows what the outcome is going to be. It's going to be an order from some court somewhere that says the Debtors' liabilities to its tort plaintiffs are X or are a range of X to Y. That's what the order is going to be. There isn't going to be any magic. It's an estimation hearing.

July Tr. at 42.

II. RELIEF REQUESTED

16. By this Motion, the Debtors request that the Court estimate Asbestos Liabilities in connection with the Plan. In connection with the estimation of the Debtors' Asbestos Liabilities, the Debtors request that the Court enter a Case Management Order Related to the Estimation of Present and Future Asbestos Personal Injury Liabilities, in the form attached hereto as **Exhibit 1**, including approval of the form of notice to interested persons as set forth in the proposed Order.

17. In accordance with Rule 2002-1(b) of the Local Rules of the United States Bankruptcy Court for the District of Delaware and the Order Clarifying Case Notice Procedures Pursuant to 11 U.S.C. §§ 102 and 105; Fed. R. Bankr. P. 2002(m) and 9007; and Local Rule 2002-1(b), signed May 16, 2001, (NIBS Docket No. 1838), notice of this Motion has been given to: (a) the Office of the United States Trustee; (b) counsel for the Creditors' Committee; (c) counsel for the Asbestos Committee; (d) the Office of the United States Attorney for the District of Delaware; (e) Bank of America, N.A., as the Debtors' Post-Petition Lender; (f) Credit

Credit Suisse First Boston, as agent with respect to that \$2.0 billion Credit Agreement dated June 26, 1997; (g) special counsel to the Creditors' Committee; (h) the Futures Representative; (i) counsel for the Futures Representative; and (j) those parties who have requested service of all motions and pleadings pursuant to Bankruptcy Rule 2002.

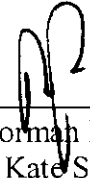
WHEREFORE, the Debtors respectfully request that the Court enter an Order:

(i) substantially in the form of the proposed order attached hereto, setting a schedule for the estimation of the Debtors' Asbestos Liabilities and a hearing thereon; and (ii) granting such other and further relief as is just and proper.

Dated: Wilmington, Delaware
 July 30, 2004

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