

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
THE FLINTKOTE COMPANY and)	Case No. 04-11300 (JKF)
FLINTKOTE MINES LIMITED,)	(Jointly Administered)
)	
Debtors.)	Related Docket No. 3628
)	

**SUPPLEMENTAL DISCLOSURE DOCUMENT REGARDING
AMENDED JOINT PLAN OF REORGANIZATION (AS MODIFIED)**

I. Introduction

In accordance with Section 1125 of the Bankruptcy Code, the Debtors,¹ the Asbestos Claimants Committee and the Future Claimants Representative (collectively, the “Plan Proponents”) submit this Supplemental Disclosure Document (the “Supplemental Disclosure Document” or “Supplement”) in connection with the resolicitation of votes from the holders of Asbestos Personal Injury Claims on the Amended Joint Plan of Reorganization (as modified) (the “Plan” or the “Modified Amended Plan”), a copy of which is attached as Exhibit A to this Supplemental Disclosure Document. The Modified Amended Plan is jointly proposed by the Plan Proponents.

As described further herein, the Plan modifies certain portions of the Amended Joint Plan of Reorganization dated September 9, 2008 (the “Original Amended Plan”), which was sent to the holders of Claims against and Equity Interests in the Debtors for voting in September 2008. The purpose of this Supplemental Disclosure Document is to provide information concerning these modifications to the holders of Asbestos Personal Injury Claims against the Debtors (i.e., Class 7—Flintkote Asbestos Personal Injury Claims, and Class 8—Mines Asbestos Personal Injury Claims), the only classes of creditors or interest holders that are affected by the modifications to the Original Amended Plan. As a result of these modifications, all the holders of Asbestos Personal Injury Claims (including Indirect Asbestos Personal Injury Claims) are being asked to vote again on the Modified Amended Plan (whether or not such holders voted on the Original Amended Plan).

**FOR ALL CLAIMS AGAINST AND EQUITY INTERESTS IN THE
DEBTORS OTHER THAN ASBESTOS PERSONAL INJURY CLAIMS, THE
MODIFIED AMENDED PLAN PROVIDES FOR TREATMENT THAT IS IDENTICAL
TO THE TREATMENT THAT WAS PROVIDED TO SUCH CLAIMS AND EQUITY**

¹ Unless otherwise defined elsewhere in this Supplemental Disclosure Document, capitalized terms used but not defined herein have the meanings ascribed to them in the Modified Amended Plan and related Plan Documents.

INTERESTS UNDER THE ORIGINAL AMENDED PLAN. AS A RESULT, THE BANKRUPTCY COURT HAS DETERMINED THAT THE HOLDERS OF SUCH CLAIMS AND EQUITY INTERESTS WILL NOT VOTE ANEW ON THE MODIFIED AMENDED PLAN. INSTEAD, THE VOTES CAST BY THE HOLDERS OF CLAIMS AND EQUITY INTERESTS OTHER THAN ASBESTOS PERSONAL INJURY CLAIMS ON THE ORIGINAL AMENDED PLAN WILL BE COUNTED AND APPLIED TO THE MODIFIED AMENDED PLAN.

For a historical description of the Debtors' businesses, additional historical detail concerning the Debtors' reorganization proceedings, and a more detailed discussion of the Debtors and their reorganization proceedings, please review the Disclosure Statement Regarding Amended Joint Plan of Reorganization (the "Disclosure Statement"), which was approved by the Bankruptcy Court on September 2, 2008 and was mailed to holders of claims against the Debtors in September 2008. If you did not receive or no longer have a copy of the Disclosure Statement, you may obtain a copy of it by contacting the Debtors' voting agent, The Garden City Group, Inc. at 1-800-290-0537. Information may also be obtained at the Flintkote Reorganization Website at <http://www.flintkotebankruptcy.com>.

In the event of any inconsistency between this Supplemental Disclosure Document and the Modified Amended Plan, the terms of the Modified Amended Plan will control. You are urged to review fully the terms of the Modified Amended Plan, the Disclosure Statement and this Supplemental Disclosure Document before casting your ballot to vote on the Modified Amended Plan.

The statements contained in this Supplemental Disclosure Document are made as of the date hereof unless another time is specified herein, and the facts and information contained in this Supplement may change further following the delivery of the Supplement to holders of Asbestos Personal Injury Claims.

II. Voting on the Modified Amended Plan and Dates for Objections to Confirmation and Confirmation Hearing

On July __, 2009, the Bankruptcy Court entered an order which, among other things, provides that the holders of Asbestos Personal Injury Claims against the Debtors are entitled to vote on the Modified Amended Plan and establishes procedures for the solicitation and tabulation of ballots (the "Supplemental Voting Procedures Order"). The Supplemental Voting Procedures Order also provides that all other classes of Claims and Interests that were entitled to vote on the Amended Plan will not be required to vote again on the Modified Amended Plan, but will instead have their votes on the Amended Plan applied in the voting process for the Modified Amended Plan, because the treatment of such classes of Claims and Interests has not changed from the Original Amended Plan to the Modified Amended Plan.

In order for the holders of Asbestos Personal Injury Claims to have their votes counted, they must complete and mail the enclosed ballot to the address set forth thereon so that it is received by September __, 2009 at 4:00 p.m. prevailing Eastern time (the "Supplemental Voting Deadline"). Holders of Asbestos Personal Injury Claims (including Indirect Asbestos Personal Injury Claims) must complete the ballot and indicate either their acceptance or rejection

of the Modified Amended Plan. Facsimile copies of the ballot will not be accepted and the ballot must bear an original signature. Any ballot received after the Supplemental Voting Deadline will not be counted.

Any new objections to confirmation of the Modified Amended Plan will be limited to (a) the changes from the Original Amended Plan, and (b) any events or legal developments that occurred since the earlier deadline for filing objections to the Original Amended Plan. Such objections must be made in writing and specify in detail (1) the name and address of the objector, and (2) all grounds for the objection. Any such objection must be filed with the Bankruptcy Court on or before September ___, 2009 at 4:00 p.m. prevailing Eastern time. All objections filed with respect to the Original Amended Plan shall be deemed objections to the Modified Amended Plan, and no further filing shall be necessary.

The Bankruptcy Court has issued an order scheduling the Confirmation Hearing for _____, 2010, at _____ a.m. prevailing Eastern time at the United States Bankruptcy Court for the District of _____ located at _____, provided that the Confirmation Hearing may be rescheduled for an earlier date if the Bankruptcy Court determines that certain confirmation-related discovery should not be permitted. If the Confirmation Hearing is rescheduled to occur at an earlier date, notice will be sent to all creditors. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of adjournment at the Confirmation Hearing, and at any subsequent adjourned Confirmation Hearing.

III. Contents of Supplemental Disclosure Document

This Supplemental Disclosure Document contains information concerning:

- A. the outcome of the prior voting on the Original Amended Plan;
- B. a description of the modifications to the Original Amended Plan that are contained in the Modified Amended Plan;
- C. a summary of changes in the Debtors' assets and business operations since what was last reported in the Disclosure Statement;
- D. a summary of developments in the Aviva Litigation being pursued by the Debtors since what was last reported in the Disclosure Statement;
- E. a summary of developments in quantifying certain of the Debtors' liabilities since what was last reported in the Disclosure Statement; and
- F. a summary of events in these chapter 11 proceedings since what was last reported in the Disclosure Statement.

IV. Outcome of Prior Voting on Original Amended Plan

On September 8, 2008, the Bankruptcy Court approved procedures for the solicitation and tabulation of votes to accept or reject the Original Amended Plan (the "Voting

Procedures Order”) (Bankr. Docket No. 3615). In accordance with the Voting Procedures Order, the Debtors mailed voting solicitation packages to all holders of Claims and Equity Interests eligible to vote. The Debtors also implemented a comprehensive notice program, pursuant to which the Debtors caused notice of the Original Amended Plan and the confirmation hearing to be published in numerous publications in the United States and Canada.

The Garden City Group, as the noticing, claims, and balloting agent retained by the Debtors (Bankr. Docket No. 25) (the “Voting Agent”), collected and tabulated all valid ballots filed by the voting deadline of December 18, 2008. On January 7, 2009, the Voting Agent filed a declaration certifying the voting results (the “Voting Agent Declaration”) (Bankr. Docket No. 3958). As set forth in the Voting Agent Declaration, all classes of Claims and Equity Interests eligible to vote either voted to accept the Original Amended Plan or were deemed to have accepted the Original Amended Plan in accordance with the Voting Procedures Order.² However, because slightly less than the requisite 75 percent of the Class 7 Flintkote Asbestos Personal Injury Claims voted to accept the Original Amended Plan, such plan did not satisfy the requirements of 11 U.S.C. § 524(g)(2)(B)(ii)(IV)(bb). The results of the tabulation of the votes of the holders of Asbestos Personal Injury Claims are set forth in the chart below:

CLASS	ACCEPT THE PLAN		REJECT THE PLAN	
	Dollar Amount Votes / Percentage of Total Dollar Amount	Number of Votes / Percentage of Number of Votes	Dollar Amount Voted / Percentage of Total Dollar Amount	Number of Votes / Percentage of Number of Votes
Class 7 - Flintkote Asbestos Personal Injury Claims	\$2,046,441,200.00 / 81.74%	168,995 / 74.66%	\$457,278,150.00 / 18.26%	57,369 / 25.35%
Class 8 - Mines Asbestos Personal Injury Claims	\$969,524,900.00 / 84.14%	58,692 / 71.86%	\$182,729,700.00 / 15.86%	22,987 / 28.14%

On January 7, 2009, in response to the failure to obtain the 75% supermajority of votes to accept the Original Amended Plan from the Class 7 Claimants, the Debtors moved the Court to continue the confirmation dates set forth in the Scheduling Order (Bankr. Docket No. 3957).

V. Modifications to the Plan

A. Trust Distribution Procedures

Following the failure of the Original Amended Plan to receive the requisite 75% acceptance from the holders of Asbestos Personal Injury Claims against Flintkote, the members of the Asbestos Claimants Committee commenced discussions with attorneys representing the holders of such Claims who did not vote to accept the Original Amended Plan. As a result of these discussions, the Plan Proponents made the following two modifications to the Trust

² In the case of classes where no votes were cast (e.g., Class 6 – Unsecured Claims Against Mines), the Voting Procedures provides that “[i]f no votes to accept or reject the Plan are received with respect to a particular class, such class will be deemed to have accepted the Plan.” Section VI(d)(x).

Distribution Procedures, which the Asbestos Claimants Committee believes will result in the requisite percentage of holders of the Asbestos Personal Injury Claims accepting the Modified Amended Plan:

1. Change in Claims Payment Ratios

The Modified Amended Plan changes the Claims Payment Ratio set forth in Section 2.5 of the Trust Distribution Procedures from the 88%/12% ratio contained in the Original Amended Plan to an 80%/20% ratio. This means that as of the Effective Date, a Claims Payment Ratio will be set at 80% for Trust Claims involving severe asbestosis and malignancies (Disease Levels III-VII)(“Category A”) that were unliquidated as of the Petition Date, and at 20% for Trust Claims involving non-malignant asbestosis or pleural disease (Disease Levels I and II) (“Category B”) that were similarly unliquidated as of the Petition Date. Accordingly, in each year after the determination of the Maximum Available Payment, 80% of that amount shall be available to pay Category A Claims and 20% shall be available to pay Category B Claims that have been liquidated since the Petition Date. The Claims Payment Ratio will not apply to any Pre-Petition Liquidated Trust Claims.

A redline reflecting these changes to the Trust Distribution Procedures (comparing the changes between Section 2.5 of the Trust Distribution Procedures of the Original Amended Plan and the Modified Amended Plan) is set forth in Exhibit A to this Supplemental Disclosure Document.

2. Change to Description of Valuation Factors to Be Considered in Individual Review

The Modified Amended Plan changes the description of the valuation factors to be considered in Individual Review contained in Section 5.3(b)(2) of the Trust Distribution Procedures to allow for consideration of results of cases in which a claimant’s law firm has played a substantial role in the resolution of the cases even if the claimant’s law firm was not the firm of record in such cases. In particular, in liquidating the value of each Trust Claim that undergoes Individual Review, one of the enumerated factors that affects the severity of damages and values within the tort system that the Trust will consider will be the greater of (a) settlement and verdict histories for the claimant’s law firm for similarly situated claims, or (b) settlement and verdict histories for the claimant’s law firm in the Claimant’s Jurisdiction including all cases where the claimant’s law firm can satisfy the Trust, based on clear and convincing evidence, that the claimant’s law firm played a substantial role in the prosecution and resolution of such cases, such as actively participating in court appearances, discovery and/or trial of the cases, irrespective of whether a second law firm was also involved and would also be entitled to include such cases in its “settlement and verdict histories.” For the avoidance of doubt, mere referral of a case, without further direct involvement, will not be viewed as having played a substantial role in the prosecution and resolution of a case.

A redline reflecting these changes to the Trust Distribution Procedures (comparing the changes between Section 5.3(b)(2) of the Trust Distribution Procedures of the

Original Amended Plan and the Modified Amended Plan) is set forth in Exhibit B to this Supplemental Disclosure Document.

B. Litigation Neutrality and the Preservation of Third Party Causes of Action

1. Changes to Litigation Neutrality Provisions

In response to confirmation objections asserted by ITCAN that the Original Amended Plan might impact upon the rights of co-insureds to shared insurance with the Debtors, the Plan Proponents have amended Section 12.3.2(b) of the Plan to clarify that the injunction set forth in 12.3.2(b) of the Plan does not impair the rights of any co-insured of the Debtors (a) with respect to any Asbestos Insurance Policy or Asbestos Insurance Settlement Agreement or against any Asbestos Insurance Company and (b) as specified under any final order of the Bankruptcy Court approving an Asbestos Insurance Settlement Agreement.

A redline reflecting these changes to Section 12.3.2(b) of the Plan (comparing the changes between Section 12.3.2(b) of the Original Amended Plan and the Modified Amended Plan) is set forth in Exhibit C to this Supplemental Disclosure Document.

2. Changes to Preservation of Third Party Causes of Action

The Plan Proponents have added language to Section 11.3 of the Modified Amended Plan to clarify that, on and after the Effective Date, Reorganized Flintkote (on behalf of itself or Mines, as the Mines Estate Representative, as applicable) may take any action to realize upon (in addition to pursuing, settling or withdrawing) such claims, rights, or causes of action (other than the Trust Causes of Action) as it determines in accordance with its best interests and without Bankruptcy Court approval; provided that any determination to take action to realize upon such claim, right or cause of action related to the Third Party Causes of Action shall require the consent of the Trustees or such other person as specified in the Trust Documents.

A redline reflecting these changes to Section 11.3 of the Plan (comparing the changes between Section 11.3 of the Original Amended Plan and the Modified Amended Plan) is set forth in Exhibit D to this Supplemental Disclosure Document.

VI. Changes in the Debtors' Financial Status and Business Operations

A. Debtors' Assets

In the Disclosure Statement, the Debtors reported that as of May 31, 2008, Flintkote held approximately \$109 million in cash and marketable securities and the Qualified Settlement Fund held approximately \$99 million in cash and marketable securities. As of May 31, 2009, Flintkote holds approximately \$106 million in cash and marketable securities and the Qualified Settlement Fund holds approximately \$100 million in cash and marketable securities.

In the Disclosure Statement, the Debtors reported that as of May 31, 2008, their insurance assets included approximately \$14 million in Pre-Petition Claims Cost Receivables and approximately \$13 million in future payables under insurance settlement agreements with

solvent insurers approved by the Bankruptcy Court since the Petition Date. Based on collections that have occurred with insurers and an additional settlement that has been approved by the Bankruptcy Court, the Debtors' insurance assets, as of May 31, 2009, include \$9 million in Pre-Petition Claims Cost Receivables and approximately \$19 million in future payables under insurance settlement agreements with solvent insurers approved by the Bankruptcy Court since the Petition Date, of which \$1 million is payable upon the Effective Date and \$18 million is payable upon post-confirmation claims presentation.

Aside from the foregoing, there have been no changes in the Debtors' fixed assets.

B. Property Management

In the Disclosure Statement, Flintkote reported that it had purchased or was in the process of purchasing three properties for lease to quick-service and casual dining restaurants. Flintkote initially agreed to enter into sale and lease agreements for the purchase and leaseback of three properties located in Raleigh, North Carolina, Akron, Ohio, and Wooster, Ohio. The purchase of the Raleigh property closed on July 29, 2008. However, Flintkote ultimately chose not to consummate the transactions in respect of the Akron and Wooster properties because of certain issues uncovered during the due diligence process.

After the Akron and Wooster transactions were abandoned, Flintkote resumed the search for potential property acquisitions, continuing to focus on properties for lease to quick-service dining businesses and eventually concluding that two properties located in Miami, Florida and McKinney, Texas would be well-suited for Flintkote. On September 19, 2008, the Bankruptcy Court granted Flintkote's motion authorizing the purchase and leaseback of the Miami and McKinney real property parcels (Docket No. 3662). Flintkote closed on these two real property acquisitions and entered into long-term "triple-net" leases (15-year lease, subject to further renewals) with a company that operates quick-service restaurants.

Exhibit III to the Disclosure Statement set forth financial projections for the one property that Flintkote owned as of the date of the Disclosure Statement. Attached hereto as Exhibit E is a Financial Report based on the first year of operations of the three properties described above, reflecting a net cash income of approximately \$257,000 and net after-tax income of approximately \$200,000.

C. Consulting Business

In the Disclosure Statement, Flintkote reported that it was providing management and executive services to Plant Insulation Company ("Plant"), pursuant to an agreement that was attached as an exhibit to the Disclosure Statement, and that Flintkote had received \$300,000 from Plant as an advance payment of the \$20,000 per month services fees due under that agreement. Flintkote has now entered into an Amended and Restated Consulting Agreement ("Amended Agreement") with Plant dated April 30, 2009, pursuant to which Flintkote has now received \$540,000 in payment of its monthly \$20,000 fees through January, 2010. Under the Amended Agreement, Flintkote may require Plant to provide an additional retainer of \$240,000 any time after January 15, 2010 as an advance against future monthly services fees for 2010. The

Amended Agreement also provides that Plant shall pay Flintkote an additional \$1,000 per month for administrative expenses, and that Plant shall pay Flintkote a \$4 million success fee upon the effective date of a confirmed plan of reorganization for Plant. A copy of the Amended Agreement is attached hereto as Exhibit F.

Plant filed a voluntary petition for chapter 11 on or about May 20, 2009, which case is pending in the United States Bankruptcy Court for the Northern District of California (Case No. 09-31347). Plant and Flintkote continue to perform all of their respective obligations under the terms of the Amended Agreement. Plant has not yet filed a motion to assume or reject the Amended Agreement.

VII. Developments in Debtors' Prosecution of the Aviva Litigation

The Disclosure Statement described the Debtors' action against Aviva involving insurance coverage for Asbestos Personal Injury Claims that is pending in the District Court in San Francisco. Following approval of the Disclosure Statement, the District Court referred the parties to a special master, retired Insurance Commissioner for the State of California and appellate Justice Harry H. Low, to determine issues relating to how Aviva would share with Flintkote's other insurance policies. In 2008, Justice Low issued an allocation ruling favorable to Flintkote, and Aviva requested that the District Court vacate the ruling. The District Court instead adopted Justice Low's ruling in full. The District Court has also issued rulings rejecting Aviva's reliance on the statute of limitations as a defense for its conduct, and compelling Aviva to produce its documents regarding its insurance reserves for the Policy, as well as to produce unredacted copies of documents which were not covered by the attorney-client privilege or work product doctrine. The parties have agreed on a trial date of October 13, 2009, but the District Court has not yet ordered that the trial be set on that date, and other events may impact the date. The Debtors cannot predict when the Aviva Litigation and all related appeals will conclude.³

VIII. Developments in Debtors' Quantification of Pre-Petition Liabilities

A. The San Bernardino Property

The Disclosure Statement described certain proofs of claim (asserting claims totaling approximately \$7 million in the aggregate) filed by the owners of the Yellow Ribbon land (the "Yellow Ribbon Claimants") on account of alleged contamination at the site of Flintkote's former plant located at (what is presently) 271 and 271 ½ South "I" Street, San Bernardino, California (the "San Bernardino Property"). Flintkote engaged in extensive discussions with the Yellow Ribbon Claimants regarding the remediation activities and resolution of their filed proofs of claim. On July 29, 2008, Flintkote filed a motion seeking Bankruptcy Court approval of a settlement with the Yellow Ribbon Claimants, which released Flintkote of any future remediation obligations owed to such claimants in respect of the Yellow Ribbon property in exchange for payment of \$400,000 and otherwise resolved the proofs of claim filed by such claimants and Flintkote's objection thereto (Bankr. Docket No. 3513). The

³ There are no material developments to report in respect of the Dividend Recovery Litigation since the Disclosure Statement was issued.

Bankruptcy Court entered an order approving the settlement dated August 26, 2008 (Bankr. Docket No. 3569).

B. The Cedar Knolls Properties

The Disclosure Statement described certain demands received from the New Jersey Department of Environmental Protection (“NJDEP”), as well as the property owner of a portion of the Cedar Knolls Site (now identified as 8 East Frederick Place)(“Rossi”) and from the owner of another portion of the Cedar Knolls Site (now identified as 4 East Frederick Place)(“Cargille”) (collectively, the “Cedar Knolls Properties”), with respect to environmental contamination alleged to have resulted from Flintkote’s prior operations at the Cedar Knolls Site. Each of Rossi and Cargille filed unliquidated proofs of claim on account of alleged contamination at the Cedar Knolls Properties. Rossi subsequently asserted that it is seeking damages in excess of \$10 million. The NJDEP did not file a proof of claim.

On August, 29, 2008, the Debtors filed a substantive objection to the Rossi proof of claim (the “Substantive Objection”) (Bankr. Docket No. 3593), asserting, among other things, that the damage claims set forth in the claim are time barred pursuant to applicable statutes of limitation. On November 3, 2008, Rossi filed a response to the Substantive Objection (Bankr. Docket No. 3768), to which the Debtors filed a reply and, in turn, Rossi filed a sur-reply (Bankr. Docket Nos. 3816 and 3839, respectively). The parties subsequently entered into a stipulation pursuant to which Rossi withdrew with prejudice certain tort-related claims asserted as part of its proof of claim, which stipulation the Bankruptcy Court approved by order dated February 17, 2009 (Bankr. Docket No. 4045). The Debtors are in continuing discussions with Rossi regarding the resolution of its remaining claims, which remain subject to the pending Substantive Objection. In addition, the Debtors and Cargille entered into a settlement resolving Cargille’s claims against the estate in exchange for a stipulated general unsecured claim in the amount of \$40,000. The Bankruptcy Court approved the settlement by order dated September 19, 2008.

C. Camden Site

As described in the Disclosure Statement, postpetition, on June 26, 2007, NJDEP, the Commissioner of NJDEP and the Administrator of the New Jersey Spill Compensation Fund (collectively, the “Camden Action Plaintiffs”) commenced a civil action in New Jersey state court against Flintkote, PSE&G, and G-P Gypsum Corporation. The Camden Action Plaintiffs’ complaint was filed in the Superior Court of New Jersey Law Division – Camden County (the “New Jersey Superior Court”) (Docket No. L-3337-07) (the “Camden Action”). On October 3, 2007, Flintkote commenced a separate adversary proceeding against the Camden Action Plaintiffs in the Bankruptcy Court seeking a declaratory judgment that (i) each count of the Camden Action complaint asserted against Flintkote represents a “claim” pursuant to section 101(5) of the Bankruptcy Code, and (ii) each count of such complaint asserted against Flintkote is based on a claim subject to the Bar Date Order issued by the Bankruptcy Court, and as such each count is enjoined from prosecution in the Camden Action or elsewhere (Adv. No. 07-51721, Adv. Docket No. 1).

Flintkote and representatives of the Camden Action Plaintiffs have engaged in extensive settlement discussions and have reached a settlement in principle, which, subject to

Bankruptcy Court approval, public notice and comment in New Jersey, and the entry of a Consent Judgment in the New Jersey Superior Court, will resolve the claims of the Camden Action Plaintiffs against Flintkote relating to the Camden Site. The parties are in the process of finalizing the settlement documentation and, once completed, Flintkote will file a motion with the Bankruptcy Court seeking approval of the settlement. Once finalized and approved, the settlement will result in a consensual dismissal of the adversary proceeding. In addition, under the proposed settlement, Flintkote has agreed to (a) stipulate that the NJDEP or the appropriate governmental unit has a general unsecured pre-petition, non-priority claim against Flintkote's estate in the allowed amount of \$300,000 and (b) pay \$25,000 in total to the Camden Action Plaintiffs promptly following the later of (i) entry of a final order of the Bankruptcy Court approving the terms of the settlement, and the allowance of the payment, and (ii) after notice, comment and approval of the Camden Action Consent Judgment by the New Jersey Superior Court. Any distribution(s) on account of the stipulated claim described above would be made only pursuant to a confirmed plan in Flintkote's Chapter 11 Case.

Flintkote was able to secure a series of extensions of time to answer or otherwise respond to the complaint in the Camden Action while settlement discussions and adversary proceedings were pending. On June 26, 2008, the New Jersey Superior Court entered an order in the Camden Action marking the matter as settled on the court's docket, subject to the formalization of a settlement agreement, public notice and comment and the approval of the Bankruptcy Court. Pursuant to the Order, Flintkote was not required to answer or otherwise respond in the Camden Action. Similarly, on May 5, 2009, the New Jersey Superior Court entered an order in the Camden Action marking the case against PSE&G and G-P Gypsum Corporation as settled on the court's docket, subject to the formalization of the settlement between those parties and the Camden Action Plaintiffs in a written Consent Judgment, and satisfaction of public notice and comment requirements.

IX. Events in Chapter 11 Cases

A. Extension of Exclusive Periods

The Debtors have sought and obtained several unopposed extensions of the exclusive periods in which to propose and solicit acceptances of a chapter 11 plan beyond the initial 120-day and 180-day periods set forth in section 1121 of the Bankruptcy Code. The Disclosure Statement explained that the exclusive periods for plan proposal and solicitation had been extended through August 31, 2008 and October 31, 2008, respectively (Docket No. 3369). The Bankruptcy Court has since further extended the exclusive period for plan proposal through August 31, 2009, and extended the solicitation period for plan acceptance through October 31, 2009 (Docket No. 4200).

B. Recognition Orders from Canadian Court

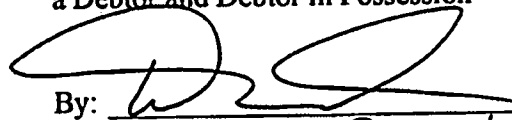
The Disclosure Statement described the recognition orders issued by the Superior Court, Province of Québec, District of Montréal, which, among other things, recognized and extended the effect of the automatic stay in Canada with respect to Mines. Through an order dated March 27, 2009, the recognition of the automatic stay in Canada has been extended through and including December 31, 2009.

CONCLUSION AND RECOMMENDATION

The Plan Proponents believe that the Modified Amended Plan is in the best interests of the holders of all Asbestos Personal Injury Claims and urge all holders of such claims to vote to accept the Modified Amended Plan and to evidence such acceptance by returning their Ballots so that they WILL BE actually received on or before 4 p.m. (Prevailing Eastern Time), on September __, 2009.

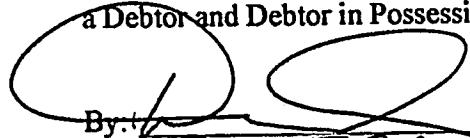
June 22, 2009

THE FLINTKOTE COMPANY,
a Debtor and Debtor in Possession

By: 
Name: DAVID J GORDON
Its: PRESIDENT

June 22, 2009

FLINTKOTE MINES LIMITED,
a Debtor and Debtor in Possession

By: 
Name: DAVID J GORDON
Its: PRESIDENT

June 22, 2009

OFFICIAL COMMITTEE OF ASBESTOS
PERSONAL INJURY CLAIMANTS

By: _____
Name: _____
Its: _____

June 22, 2009

JAMES J. MCMONAGLE, as THE FUTURE
CLAIMANTS REPRESENTATIVE

By: _____

CONCLUSION AND RECOMMENDATION

The Plan Proponents believe that the Modified Amended Plan is in the best interests of the holders of all Asbestos Personal Injury Claims and urge all holders of such claims to vote to accept the Modified Amended Plan and to evidence such acceptance by returning their Ballots so that they WILL BE actually received on or before 4 p.m. (Prevailing Eastern Time), on September __, 2009.

June 22, 2009

THE FLINTKOTE COMPANY,
a Debtor and Debtor in Possession

By: _____
Name: _____
Its: _____


June 22, 2009

FLINTKOTE MINES LIMITED,
a Debtor and Debtor in Possession

By: _____
Name: _____
Its: _____

June 22, 2009

OFFICIAL COMMITTEE OF ASBESTOS
PERSONAL INJURY CLAIMANTS

By: 
Name: RONALD E. REINZEL
Its: ATTORNEY

June 22, 2009

JAMES J. MCMONAGLE, as THE FUTURE
CLAIMANTS REPRESENTATIVE

By: _____

CONCLUSION AND RECOMMENDATION

The Plan Proponents believe that the Modified Amended Plan is in the best interests of the holders of all Asbestos Personal Injury Claims and urge all holders of such claims to vote to accept the Modified Amended Plan and to evidence such acceptance by returning their Ballots so that they WILL BE actually received on or before 4 p.m. (Prevailing Eastern Time), on September __, 2009.

June 22, 2009

THE FLINTKOTE COMPANY,
a Debtor and Debtor in Possession

By: _____
Name: _____
Its: _____

June 22, 2009

FLINTKOTE MINES LIMITED,
a Debtor and Debtor in Possession

By: _____
Name: _____
Its: _____

June 22, 2009

OFFICIAL COMMITTEE OF ASBESTOS
PERSONAL INJURY CLAIMANTS

By: _____
Name: _____
Its: _____

June 22, 2009

JAMES J. MCMONAGLE, as THE FUTURE
CLAIMANTS REPRESENTATIVE

By:  _____

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