

ABB LUMMUS GLOBAL INC. 524 (g) ASBESTOS PI TRUST

TRUSTEE:

**Dean M. Trafelet
Chicago, Illinois**



June 13, 2011

TO HOLDERS OF TDP DETERMINED LUMMUS ASBESTOS PI TRUST CLAIMS

Dear Counsel:

This letter concerns your clients who hold TDP Determined Lummus Asbestos PI Trust Claims scheduled on the FIFO Payment Queue as provided in the ABB Lummus Global Inc. 524(g) Asbestos PI Trust Distribution Procedures ("Payment Queue Claims"). As previously advised, the ABB Lummus Global Inc. 524(g) Asbestos PI Trust (the "Trust") suspended the payment of Payment Queue Claims pursuant to notice dated August 2, 2010. The Trust has determined that it will resume paying Payment Queue Claims in an amount equal to the liquidated value of the claims times a Payment Percentage of 20%.

From its inception until payments were suspended, the Trust paid claims applying a Payment Percentage of 100%. The Trust is relatively small, with current net claimants' equity of approximately \$34,000,000. The Trust has received a larger number of claims with values higher than were projected during the bankruptcy case of ABB Lummus Global Inc. Payment of the current Payment Queue Claims at a 100% Payment Percentage would require the Trust to pay approximately \$20,000,000.

In particular, more cancer claims have been filed with the Trust in its first three years of operations than were forecast during the bankruptcy case to be filed over the 40 year life of the Trust. Certain relatively high value design and construction claims forecast during the bankruptcy case to account for approximately 19% of all claims have actually comprised 71% of the claims to date. Five times the number of claimants have elected Individual Review than forecast.

The Trustee, the Trust Advisory Committee ("TAC"), and the Future Claimants' Representative ("FCR") have engaged in additional claims forecasting analysis with their consultants, Verus Claims Services, the Trust's claims facility, and their respective counsel. In addition, the Trustee has made every reasonable effort to reduce the operational and administrative expenses of the Trust.

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The Trustee, with the consent of the TAC and FCR, has determined that the Payment Percentage for claims not yet in the Payment Queue will be 10%. The Trustee recognizes, however, that Payment Queue Claimants have executed releases based on the premise that their claims would be paid using a Payment Percentage of 100%. As explained above, the Trust cannot afford to pay Payment Queue Claims at 100%.

In exchange for the consent of holders of Payment Queue Claims to waive payment based on a Payment Percentage of 100%, the Trust will pay an amount equal to the liquidated value of the Payment Queue Claims times a Payment Percentage of 20%, with the 10% addition to the new Payment Percentage constituting consideration for the consent of holders of Payment Queue Claims.

Because the change in the Payment Percentage will result in significantly smaller payments, the Trust is making two adjustments to the application of the provisions of the TDP.

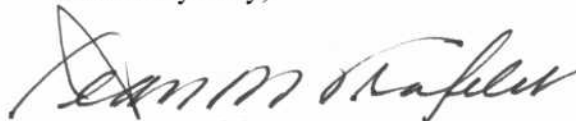
- First, the initial payment on any claim will be made in an amount no less than the Scheduled Value of a claim involving Other Asbestos Disease (Cash Discount Payment). Thus, a Lummus Design and Construction Claim will be paid in an amount not less than \$200, and a Lummus Feedwater Heater Claim will be paid in an amount not less than \$100. The value of a claim established under the TDP will continue to apply for purposes of determining whether a claimant is entitled to a subsequent payment as a result of any future increase in the Payment Percentage.
- Second, the Trust will not apply TDP Section 4.4 that provides that payments in amounts less than \$100 will not be made. Going forward, the Trust will make all payments in the amount due even if that amount is less than \$100. Because the initial payment on any claim will be not less than \$100, this change will only be relevant for subsequent payments made as a result of an increase in the Payment Percentage.

Acceptance of the payment constitutes a modification of the prior executed release and a discharge and satisfaction of the Trust's obligations to the holders of Payment Queue Claims. Further, the acceptance of the payment constitutes an accord and satisfaction.

The TAC and FCR do not object to this process.

Thank you for your assistance in this matter. A general notice with the revised Payment Percentage and amended provisions of the Trust Distribution Procedures will be published at www.abblummustrust.org.

Yours very truly,



Dean M. Trafelet, Trustee