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12 UNITED STATES BANKRUPTCY COURT  
13 NORTHERN DISTRICT OF CALIFORNIA  
14 SAN FRANCISCO DIVISION

15 In re  
16 PLANT INSULATION COMPANY, a  
17 California corporation,  
18 Debtor.  
19 Tax ID: 94-0292481  
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Case No. 09-31347  
Chapter 11

**DECLARATION OF ALAN R. BRAYTON  
IN SUPPORT OF PLAN PROPONENTS'  
MOTION FOR ORDER (A) APPROVING  
SETTLEMENT AGREEMENT WITH  
UNITED STATES FIDELITY AND  
GUARANTY COMPANY, (B)  
DESIGNATING UNITED STATES  
FIDELITY AND GUARANTY COMPANY  
AS A SETTLING ASBESTOS INSURER  
UNDER THE PLAN, (C) APPROVING  
THE SALE OF INSURANCE POLICIES  
FREE AND CLEAR OF LIENS, CLAIMS,  
AND INTERESTS, AND (D) APPROVING  
RECONSIDERATION PROCEDURES**

Date: August 29, 2014  
Time: 9:00 a.m.  
Judge: Hon. Thomas E. Carlson  
Place: Courtroom 23  
235 Pine Street  
San Francisco, CA

1 I, Alan R. Brayton, declare as follows:

2 1. I am an attorney and have actively practiced in the area of asbestos litigation  
3 since 1983, representing victims of asbestos related disease. My law firm, Brayton Purcell, and I  
4 are counsel for one of the members of the Official Committee of Creditors Holding Unsecured  
5 Claims in the above case. I am Co-Chair of the Committee.

6 2. This Declaration is filed in support of the *Plan Proponents' Motion For Order*  
7 *(A) Approving Settlement Agreement With United States Fidelity And Guaranty Company, (B)*  
8 *Designating United States Fidelity And Guaranty Company As A Settling Asbestos Insurer Under*  
9 *The Plan, (C) Approving The Sale Of Insurance Policies Free And Clear Of Liens, Claims, And*  
10 *Interests, And (D) Approving Reconsideration Procedures* (the "Motion"), filed by the Plan  
11 Proponents<sup>1</sup> on August 27, 2014. Capitalized terms not defined herein shall have the meanings  
12 ascribed to them in the Motion. Except for those matters stated upon information and belief, I  
13 have personal knowledge of the matters set forth herein and if called as a witness would testify  
14 thereto. As for those matters stated upon information and belief, I believe those matters to be true  
15 and correct.

16 3. The vast majority of the work of Brayton Purcell is representing injured  
17 plaintiffs in personal injury litigation. Over 90 percent of our work involves representation of  
18 victims of asbestos-related disease and their families. The statement under Bankruptcy Rule 2019  
19 that we filed in this case sets forth all of the pending cases or current claims against Plant  
20 Insulation Company that our firm then believed that we had in our office at the time of the filing  
21 of the bankruptcy case by Plant. My law firm has more asbestos related claims against the Debtor  
22 than any other firm. On behalf of our clients, my firm voted a total of 4,008 of 6,437 class 4  
23 claims voting for the Plan. This represented \$480,573,680 of the \$1.4 billion in claims based on  
24 the average matrix values that voted for the Plan.

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26 \_\_\_\_\_  
27 <sup>1</sup> "Plan Proponents" means, collectively, Bayside Insulation & Construction, Inc., Reorganized  
28 Debtor (the "Debtor"), the Official Committee of Unsecured Creditors (the "Committee"), and the  
Court-appointed representative of holders of future asbestos claims (the "Futures Representative").

1           4.           I was a founding partner in what is now the Brayton Purcell firm in 1984. My  
2 principal office is in Novato, California. We now have 50 lawyers and approximately 250 staff,  
3 and maintain additional offices in Salt Lake City, Utah, Portland, Oregon and Los Angeles,  
4 California. My asbestos practice has always been concentrated in Northern California, primarily  
5 in the Bay Area.

6           5.           Over the years, my firm has represented over 10,000 victims of asbestos-related  
7 disease, and we have filed over 10,000 lawsuits seeking damages based on exposure to asbestos  
8 and resulting asbestos-related disease, against more than a thousand named defendants. My firm  
9 has tried to verdict the claims of hundreds of asbestos victims, and has settled many thousands  
10 more.

11          6.           I have represented clients who have served on the asbestos claimant's  
12 committees in the following chapter 11 bankruptcy cases which involve debtors with asbestos  
13 related claims asserted against them: Thorpe Insulation; J.T. Thorpe Inc; Western Asbestos; EJ  
14 Bartells; Porter Hayden; Owens Corning; Quigley, Lake/Asarco; THAN, Leslie Controls and  
15 Kaiser Aluminum. I am also familiar with many other asbestos chapter 11 cases as I represent  
16 claimants in over 90% of asbestos bankruptcies, and I am active in national organizations  
17 involving asbestos. I have been appointed by the courts and currently serve as chair or co-chair of  
18 the Trust Advisory Committees on the Western Trust, The J.T. Thorpe Inc. Trust, the Thorpe  
19 Insulation Trust, the Plant Insulation Trust, the E.J. Bartels Trust, the Kaiser Aluminum Trust, and  
20 the ASARCO Trust. I represented a client who served on the Chrysler creditor's committee,  
21 served as co-chair of that committee, and was appointed as the Litigation Manager for Chrysler's  
22 Managing Trustee.

23          7.           I am the senior person at my firm in charge of overseeing the negotiation of  
24 settlements of individual asbestos cases with named defendants and their insurers. In addition, I  
25 have a substantial amount of experience negotiating settlements with insurers in the context of  
26 524(g) bankruptcy cases – both prior to and during this case – given my extensive involvement in  
27 such cases described in paragraph 6 above. Oftentimes, the insurers request that I become  
28 involved in these negotiations because they want to ensure that the claimants support the

1 settlement. Among other cases, I have participated in settlement negotiations in the three previous  
2 524(g) cases in California: (1) the Western Asbestos case that yielded recoveries to the trust of  
3 over \$2 billion, (2) the J.T. Thorpe case that yielded recoveries to the trust of over \$200 million,  
4 and (3) the Thorpe Insulation case that resulted in recoveries to the trust of over \$600 million. I  
5 have also participated in the negotiation of the previous settlements in this case with Sompco,  
6 UNIC, Arrowood, Mt. McKinley, the Allianz Companies, the ACE Companies, U.S. Fire, Safety  
7 National, Insurance Company of the West, and the Resolute-Related Parties. Accordingly, I am  
8 knowledgeable about the range of recoveries to be obtained from insurers in settlement  
9 negotiations and whether the settlement proposals made by those insurers would be beneficial to  
10 asbestos claimants.

11           8.       Based upon my own personal knowledge, including my review of various  
12 sworn testimony including depositions, affidavits, and declarations as well as pleadings filed in  
13 underlying asbestos lawsuits, this bankruptcy case, and the Declaratory Relief Action, I have the  
14 understandings set forth herein. I understand that United States Fidelity and Guaranty Company  
15 (“USF&G”) issued multiple primary liability insurance policies to the Debtor for various policy  
16 periods (collectively, the “Policies”). However, in the Declaratory Relief Action in state court,  
17 USF&G has consistently denied all the substantive allegations and claims asserted against it and  
18 has contended that it has no further responsibility under the Policies.

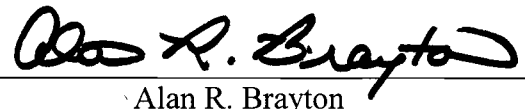
19           9.       The terms of the Settlement were arrived at as a result of arm’s-length  
20 bargaining and good faith negotiation among the parties thereto. I have been active in the  
21 negotiations with USF&G. I have personally participated in a number of discussions with  
22 USF&G’s principals and their counsel, including the in-person meeting on August 27, 2014 in  
23 New York City that ultimately produced the Settlement. Based on our joint privilege, the Trust’s  
24 representatives, the Futures Representative’s counsel and I familiarized ourselves with the  
25 strengths and weaknesses of the Debtor’s position in the Declaratory Relief Action, and utilized  
26 our extensive experience from other asbestos bankruptcies to analyze settlement proposals and  
27 develop settlement strategies. Our counsel was in contact with counsel for the Reorganized  
28 Debtor to inform them of the status of the negotiations. By the time the Trust, FCR and the

1 Committee had reached a settlement that they could support, the Reorganized Debtor was  
2 informed and also supported that settlement. We were able to reach the essential terms of a  
3 settlement on August 27, 2014. I was personally involved in these negotiations and support the  
4 total amount of the settlement that was reached. I believe, in light of the applicable facts and law,  
5 and based on my extensive involvement and experience in other asbestos bankruptcy cases, that  
6 the total amount of the settlement with USF&G is fair to the injured victims that the Committee  
7 represents. The Committee voted to support the settlement.

8           10. In particular, the settlement with USF&G will help present and future  
9 asbestos victims by funding the Trust for their benefit, thereby allowing them to obtain  
10 compensation for their asbestos bodily injury and wrongful death claims without incurring the  
11 expense and delay of going to the tort system. Absent approval of the Settlement and the  
12 accompanying sale and buyback of the Insurance Rights, the Debtor potentially will be faced with  
13 years of additional expensive and inherently uncertain litigation with USF&G. The sale will  
14 provide significant consideration to the section 524(g) trust to be created pursuant to the Plan. In  
15 addition, since USF&G is the last remaining non-settled insurer that appealed this Court's New  
16 Confirmation Order to the District Court, settlement with USF&G should pave the way for the  
17 New Confirmation Order to become final in short order, meeting a necessary condition precedent  
18 for over \$180 million in settlement payments pursuant to previously approved settlements with  
19 other insurers.

20 I declare under penalty of perjury under the laws of the United States of America that the  
21 foregoing is true and correct to the best of my knowledge and belief.

22 Executed on this 28th day of August, 2014.

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Alan R. Brayton