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February 24, 2006

NEWSLETTER NO. 16

Dear Clients:

After six years of litigating this case and the past several months of intense negotiations we have reached a final global settlement in this case. The Defendants have now agreed to pay Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00) to settle all claims in this case. This is a confidential settlement which is described below. We ask that you read this letter carefully and keep all terms of this letter **strictly confidential**.

PROCEDURE FOR ALLOCATION:

The specific amounts to be awarded to each of you will be decided by a retired Judge who has been hired for this purpose. We have hired the Honorable Ralph Drummond the retired Presiding Judge of the Superior Court for Monterey County. Judge Drummond has extensive experience in the allocation of mass tort settlements and is familiar with the science and medicine associated with chromium exposure. There is no one better suited for this task.

The process by which Judge Drummond will calculate each of your individual awards is rather laborious. First, Judge Drummond will meet with us to review each individual case summary in detail. He will consider many factors in deciding each person's individual award, including: (1) your individual exposure to the chemicals from Remco; (2) your family medical history; (3) your personal medical history; (4) your medical conditions and complaints to date; (5) your pain and suffering, past, present and future; (6) your medical expenses to date and probably in the future; (7) any loss of earnings you may have had or continue to have; and (8) any wrongful death claim filed on your behalf. Great care is taken in each case to consider all of the evidence available.

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PROCESS FOR APPEAL:

From the many written responses we have received regarding the original offer, the majority of you have confirmed acceptance of the amounts offered. However, should anyone wish to dispute and appeal the amount of their award, they may do so by presenting their reasons and supporting evidence directly to Judge Drummond through this office.

If anyone does appeal their award we must receive your written request for an appeal no later than ten (10) days from the date you receive your award letter or any right to appeal is waived. In the event you request an appeal before Judge Drummond, you should be informed that the cost of the judge's time will be borne by you and deducted from whatever your ultimate award is. We will assist you in the presentation of any evidence you might want to present during the appeal to Judge Drummond. The appeal's hearing can be conducted either in person in this office or through the mail. In accordance with the Retainer Agreement, the decision on appeal will be final. In any situation where an appeal is taken, you can end up receiving an award that is more, less or the same as the original award amount.

You were advised in our last newsletter that the defendants' offer to settle these cases was broken down as to categories of claims being made. For those categories of people who have previously been dismissed on the Statute of Limitations and for those who never lived in Willits or only came to live in Willits after the facility was no longer operated by Defendants and who did not reside on Franklin, no further amounts were offered. Each of you in this category will not receive an individual award letter specifying the amount you will receive because the amount has not changed and the offer remains at \$2,500.00.

For the remaining cancer and serious non-cancer illnesses, we were successful in negotiating a significant increase in the amount of the original offer. For each of these claims Judge Drummond will send an individual award letter after he reviews all of the evidence.

DEDUCTION OF FEES COSTS AND LIENS:

The contract between yourselves and the attorneys provides for an attorney fee of 40% of the gross recovery. We have also incurred a significant sum in litigation costs which will be reimbursed from each individual claim on a pro rata basis. For those who were dismissed on the basis of the Statute of Limitations, there are no costs to be deducted since the vast majority of costs were spent on viable personal injury claims. We will provide everyone with a detailed settlement statement in due course that will show all fees and costs.

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Please remember that many individuals have liens filed by medical providers against their recovery. By law, we must honor those liens and pay the lien claimants out of your net recovery. For anyone with a lien that we have actual notice of, we will make a notation on your award letter. If you have a lien that should be honored and have not submitted it to us, please do so now. This will avoid any latter actions by collection agencies against you. You will be personally liable for the lien after you receive your award.

Please also understand that you will not receive a Form 1099 or W-2 for tax purposes as a result of this settlement. Money received on account of a personal injury recovery is tax free and not includable as gross income.

CONDITIONS FOR PAYMENTS:

The process of actually receiving payment is dependent solely upon the speed at which all clients sign and return RELEASES. Once ninety percent (90%) of the releases have been signed and returned an equal sum of the money will be transferred to our client trust account for distribution. No money will be paid until at least 90% of the Releases have been signed and mailed back to us.

Once the initial payment is received, you will then receive your award letter. Fifteen (15) days thereafter you will receive a check for ninety percent (90%) of your award. Once one hundred percent (100%) of the RELEASES have been sent to opposing counsel, the remaining ten percent of the settlement money will be sent to us. You will then receive a final check from us ten (10) days after we receive the funds.

You were previously advised of the group of claimants you are in. Again, for those who are on the list of Plaintiffs who were dismissed on the basis of the Statute of Limitations, those who are subject to the *prima facie* motion because you never lived in Willits and/or only came to Willits after 1989 when the Defendants no longer operated the facility and did not live on the Remco side of Franklin, you will not be receiving an award letter from Judge Drummond because your offer was not increased and remains at \$2,500.00. From that amount attorneys fees will be deducted and a net check for the sum of \$1,500.00 will be sent after release of the funds by the defendants.

Accompanying this Letter, you will also find a Release and Agreement of Individual Plaintiff which must be signed by each of you where indicated on the last page along with your printed name, address and telephone number. Only the last page with your signature must be returned to us in the enclosed self-addressed and postage paid envelope.

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Many of you will ask: "After I send in my Release, how long will it take to receive my money?" We are unable to respond precisely because the funding date depends upon when all signed releases are received by defendants. However, if all releases are signed and returned within 30 days, we would expect that settlement checks could be issued within 60 days thereafter.

CONFIDENTIALITY

As part of the Settlement, the Defendants have the right to obtain an injunction against you if you violate the confidentiality of this agreement. If they are forced to seek an injunction they will also be entitled to seek the costs of obtaining the injunction from you. Therefore, we again strongly urge you not to discuss your awards or the terms of this agreement with anyone other than your spouse. We cannot and will not divulge information to you about recoveries for any plaintiff other than yourself. Please read the Individual Release carefully especially in regard to confidentiality.

If you have any questions about the process, please put them in writing so that we can respond in writing insuring that everyone receives the same information at the same time. We will not take individual telephone calls about the content of this letter to insure that everyone receives their information in direct written communications from this office. Please direct any written correspondence to Mark Millard of this office who has worked on this case continuously over the past six years.

Sincerely,



WALTER J. LACK
 ENGSTROM, LIPSCOMB & LACK



THOMAS V. GIRARDI
 GIRARDI & KEESE

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