EXHIBIT A

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

In Re:

SETTLEMENT FACILITY MATTERS Case No. 00-00005

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MOTION HEARING

BEFORE CHIEF JUDGE DENISE PAGE HOOD

231 W. LAFAYETTE ST. - COURTROOM 730

DETROIT, MI 48226

THURSDAY, MARCH 23, 2017

APPEARANCES:

ON BEHALF OF CLAIMANTS'

ADVISORY COMMITTEE: JEFFREY S. TRACHTMAN

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ON BEHALF OF THE DOW CORNING CORPORATION:	DEBORAH E. GREENSPAN BLANK ROME LLP 1825 EYE STREET, N.W. WASHINGTON, DC 20006
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ALSO PRESENT: HON. PAMELA HARWOOD

PROF. FRANCIS McGOVERN

MS. SYBIL GOLDRICH

MR. DAVID TENNANT

MR. TIM JORDAN

MR. DOUG SCHOTTINGER

you have it?

MR. TRACHTMAN: Yes. That actually relates directly to what I was about to talk about.

THE COURT: And then number two has to do with the litigation side. Maybe you don't need to address that, I will address that to Dow.

And then number -- the last thing is the final thing on page 13 of my copy of the Opinion, which has to do with the time-value credit. And I just wondered if you might address that in fact, if you think you can without prior notice.

MR. TRACHTMAN: No, absolutely. This helps set up the points I was about to make.

So these were all issues that were in dispute on the prior appeal, and the Sixth Circuit, because it reversed -- the Sixth Circuit reversed on two grounds. One was imposing the higher standard of proof, the virtual guarantee, virtual certainty test; and the other was the admissibility of expert testimony.

And I think we now have no legal disputes about these issues because we're going to -- we'll talk about what virtual guarantee or virtual certainty means. Dow Corning differs from us about what they think that implies for the merits but the test is what it is and that is not in dispute.

We don't think that that needs to be adopted as the formal test. It certainly is in the right ballpark.

I mean, we think that there has to be a very tiny risk left; that it's almost impossible.

We don't think we actually disagree with Dow Corning and we don't think that it's useful for the Court to adopt any of these other standards or tests as the actual test because I think it actually creates an appeal issue that is not necessary.

And we need to be faithful to the mandate of the Sixth Circuit.

The Sixth Circuit didn't define it in great detail but they told us it is a higher standard than what was there before. And it is close to certain, close to a guarantee.

And we think that the Court should not approve these payments unless you agree with us that the risk now is very farfetched and small.

It is a tiny risk. We think it is close to impossible that this cap could be busted on this record at this stage of the proceedings with this big a cushion.

So we would just suggest that you apply the words of the Sixth Circuit and --

describes adequate assurance. Is that what you think they intend for me to apply?

MR. TRACHTMAN: Yes. And I agree that it is not completely unambiguous since there is a bit of a reach between strong likelihood and virtual certainty.

This is why the parties have gotten into all these interesting other inquiries because it isn't entirely clear.

But what we are saying is that we agree that it is at the more certain end of that range. We agree that you should be virtually -- it may in fact be more than a reasonable doubt standard because there should really just be a tiny risk, a tiny risk. We agree with that.

And we agree, and if this record doesn't satisfy that, it is almost impossible to do it. And that is not what the parties intended.

So we would like to sort of take this issue out of dispute. We don't think this is an issue that warrants dispute. The Sixth Circuit told us we have to be almost sure, almost certain. Very tiny risk. And we agree with that.

So does the Court have more questions about that?

THE COURT: No, I do not, thank you.

in, everybody agrees there will be a surge at the end. Because we're getting about 200 claims a year.

So those claims that come in at the end, they can't get increased severity because the deadline will have passed. There will be no time -- even claims that come in now are unlikely to get it because you get approved at a certain level. Then you have to get sicker and put in more evidence. And time is running out.

So that last hundred claims, which is about 10 million dollars, is truly extra cushion. But we can know with a fairly high level of certainty that every single person is not going to claim this. But we're assuming it for purposes of this exercise.

So even with all of those conservative assumptions, we're left with basically a hundred million dollar cushion net present value. And that translates into roughly 300 million to pay the claims.

We have only paid out about 600 million in Class 5 disease claims through this entire settlement.

So to bust the cap, the boom of claims at the end would have to be of that order of magnitude, would have to be half of the amount we have spent in all of these years to pay Class 5 disease claims.

So that's really the uncertainty we're

debating is just how big a surge in disease claims are we going to get because the surge in expedited claims can't bust the cap, they're not that expensive. We assume we're going to pay everybody with a POM at least an expedited release claim.

So our point is, yes, there's always some uncertainty, it is in the nature of the methodology, which I will discuss more, but what is realistically possible?

They're going to be deviations up and down from the specific projection, but what order of magnitude will they be?

And we believe that the cushion is likely to be larger than we think. Larger than what is being currently projected.

But even if that is wrong and even if there is a huge unexpected surge of claims, the cushion will absorb them.

And Dow Corning will have charts that will show that it is technically possible to have too many claims if 15 or 16 percent of the outstanding proof of claimants suddenly surface with claims. But that is four or five or six times the expected final surge. And that surge, as I've explained, is conservative.

So the question is, is that reasonably

you're pro se.

But actually on balance, claimants claim at a lower rate as they get older.

And I want to direct the Court to Dr. Peterson's 2011 Declaration at pages 28 to 31 and his 2012 reply, supplemental declaration, at pages 9 to 13 where he addresses this claimant-aging issue.

So Mr. Hinton says that there are two main flaws to this methodology. One that he talks about in passing is the absence of a quantified error rate analysis and this gets into some technical stuff that I don't fully understand either but Dr. Peterson talks about it.

This is not just a methodology that lends itself to a quantified error analysis.

But we have something better than that. We have a track record. We have directly comparable -- we have tested this methodology over 13 years and it has always been conservative. Claims in the total forecast have always come in lower than projected. We also have the RSP. These are all validating factors.

This methodology is tested by being applied and has proven to be reliable.

And then the other big issue that keeps coming up is epidemiology. And Mr. Hinton says, oh, the