

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE:

DOW CORNING CORPORATION,

REORGANIZED DEBTOR

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CASE NO. 00-CV-00005-DT
(Settlement Facility Matters)

Hon. Denise Page Hood

STIPULATION TO APPOINT ANN M. PHILLIPS AS
SUCCESSOR CLAIMS ADMINISTRATOR FOR
THE SETTLEMENT FACILITY-DOW CORNING TRUST

Background

The Amended Joint Plan of Reorganization (the “Plan”) establishes that a Claims Administrator shall be responsible to oversee the processing and payment of claims by the Settlement Facility-Dow Corning Trust (the “SF-DCT”) in accordance with the terms of the Settlement Facility and Fund Distribution Agreement (the “Settlement Facility Agreement” or “SFA”). Plan § 1.29.

In general, the Claims Administrator is responsible for:

- (i) supervising processing of claims resolved under the terms of this Settlement Facility Agreement and the Claims Resolution Procedures and overseeing all aspects of the Claims Office including the Quality Control Supervisor and the Operations Manager, (ii) preparing and distributing periodic reports documenting the activity of the Claims Office, including detailed reports on Claims submissions and resolutions, and (iii) serving as a member of the Finance Committee and specifically performing periodic analyses and estimates regarding the costs and projected costs of processing and resolving claims subject to the terms of this Agreement and any matter of contingency that could affect the sufficiency of funds for payment of allowed claims. The Claims Administrator shall seek the input and advice of the Claimants’ Advisory Committee and the Debtor’s Representatives on all matters of mutual concern and as specified at Section 5.05.

SFA § 4.02(a). *See also* SFA § 4.02(e) (“General Powers of the Claims Administrator”).

After serving as the Claims Administrator for six years, David T. Austern has requested that he be allowed to resign and conclude his tenure on June 30, 2011. The Settlement Facility Agreement gives the Claimants’ Advisory Committee (“CAC”) and the Debtor’s Representatives the responsibility and authority jointly to select a successor Claims Administrator subject to the approval of this Court:

In the event that the Claims Administrator resigns or is removed from Office or is otherwise unable to perform the functions of the Claims Administrator, a successor Claims Administrator shall be selected by the Debtor’s Representatives and the Claimants’ Advisory Committee, subject to the approval of the District Court.

SFA § 4.02(b). The Debtor’s Representatives and the CAC have selected Ann M. Phillips to be the successor Claims Administrator and Ann M. Phillips has agreed to accept the position of Claims Administrator. The Debtor’s Representatives and the CAC have submitted this Stipulation to approve the selection of Ann M. Phillips as successor Claims Administrator.

Qualifications of Claims Administrator

The Settlement Facility Agreement sets forth the requirements for the qualifications of the Claims Administrator. He or she is to be “(i) an individual over the age of 35 whose experience and background are appropriate for the responsibilities hereunder, and (ii) at the time of the appointment and at all times during the terms of service, independent.” SFA § 4.02(c).

Ms. Phillips' experience makes her well qualified for the responsibilities she would assume as Claims Administrator of the SF-DCT. Ms. Phillips was appointed as the Facilities Manager for the SF-DCT on January 30, 2001. *See Order Appointing Claims Operations Manager and Facilities Manager for the Dow Corning Settlement Facility*, dated January 20, 2001. Effective May 6, 2003, Ms. Phillips was appointed as the Claims Operations Manager and has served in that capacity since that time. *See Order Approving Claims Operations Manager for the Dow Corning Settlement Facility*, dated May 6, 2003.

Ms. Phillips is well qualified because of her existing experience with the SF-DCT. As a result of this experience, Ms. Phillips is already familiar with (i) the Plan, the Settlement Facility Agreement and other implementing documents, (ii) the claims staff, and (iii) the issues that have arisen during the implementation.

The CAC and Debtor's Representatives thus agree that Ms. Phillips' appointment will protect the SF-DCT from a prolonged transition period since her experience will allow her to assume the position of Claims Administrator without significant additional preparation and since her prompt appointment will avoid a lengthy search process.

Ms. Phillips' appointment will therefore allow the SF-DCT to move forward without interruption so that the main task of reviewing and paying qualified claims can proceed expeditiously.

Ms. Phillips is also "independent" as required by the Settlement Facility Agreement. SFA § 4.02(c).

The compensation to be paid to Ms. Phillips as Claims Administrator is set forth in a proposed Employment Agreement. Under the terms of the contract, Ms. Phillips'

appointment as Claims Administrator will extend for a one-year period, subject to an annual renewal. The contract provides for that it may be terminated by either party before the end of the one-year period as specified in the Employment Agreement.

The Debtor's Representatives and the CAC have therefore submitted this Stipulation to the Court to approve the selection of Ann M. Phillips as successor Claims Administrator effective June 30, 2011.

So Stipulated:

FOR DOW CORNING CORPORATION

FOR THE CLAIMANTS' ADVISORY COMMITTEE

BY: /s/ Deborah E. Greenspan
Deborah E. Greenspan, Esq.
Dickstein Shapiro LLP
1825 Eye Street, N.W.
Washington, DC 20006
Tel: 202-420-3100; Fax: 202-420-2201
Email: GreenspanD@dicksteinshapiro.com

BY: /s/ Dianna Pendleton-Dominguez
Dianna Pendleton-Dominguez, Esq.
401 North Main Street
St. Marys, OH 45885
Tel: 419-394-0717; Fax: 419-394-1748
Email: DPEND440@aol.com

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REORGANIZED DEBTOR	§	
	§	Hon. Denise Page Hood

**ORDER APPROVING STIPULATION APPOINTING
ANN M. PHILLIPS AS SUCCESSOR CLAIMS ADMINISTRATOR
FOR THE SETTLEMENT FACILITY-DOW CORNING TRUST**

After consideration of the Stipulation of the Debtor's Representatives and the Claimants' Advisory Committee, it is hereby ORDERED that:

1. Ann M. Phillips' selection as successor Claims Administrator effective June 30, 2011 is hereby approved.
2. The Finance Committee is directed to authorize the Settlement Facility-Dow Corning Trustee to execute the approved Employment Agreement with Ann M. Phillips and to perform their respective obligations thereunder.
3. All actions taken at any time by Ann M. Phillips as the Claims Administrator (or by any employees, agents, or independent contractors engaged by Ms. Phillips as the Claims Administrator or appointed or hired to perform services in assisting the Claims Administrator) in implementing the Settlement Facility-Dow Corning Trust and in collecting, collating, processing, evaluating, and paying claims shall be performed in accordance with the terms of the Plan and the Plan Documents (as defined in the Plan);
and

4. The actions taken by Ann M. Phillips described in the preceding Paragraph 3 shall constitute judicial actions of this Court and shall be protected, to the maximum extent allowable by law, by the doctrine of judicial immunity. The relief granted in this paragraph shall be effective from this date until the Claims Administrator resigns, is terminated or the Consulting Agreement expires and is not renewed.

DATED June 29, 2011

/s/ Denise Page Hood
Honorable Denise Page Hood
United States District Judge