

EXHIBIT B

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF MICHIGAN
3 NORTHERN DIVISION

4 IN THE MATTER OF, Case No. 95-20512
5 DOW CORNING CORPORATION Bay City, Michigan
June 29, 1999
/ 9:13 a.m.

6 CONTINUED CONFIRMATION HEARING
7 BEFORE THE HONORABLE ARTHUR J. SPECTOR
8 HONORABLE DENISE PAGE HOOD

9 TRANSCRIPT ORDERED BY: BARBARA HOUSER, ESQ., SHERYL TOBY,
10 ESQ., DENNIS HALEY, ESQ., KENNETH ECKSTEIN, ESQ., DENNIS MEIR,
11 ESQ., KENNETH KABLE, ESQ., LENARD PARKINS, ESQ., JAMES
12 PLEMMONS, ESQ., H. JEFFREY SCHWARTZ, ESQ., STEPHEN WEINER,
13 ESQ., JOEL MILLER, ESQ., VITA CAPIALBI

14 APPEARANCES:

15 For the Dow Corning Corp.:

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1 THE COURT: No, you just probably don't have the
2 right page. And this doesn't display colors, does it?

3 MR. BERNICK: It doesn't -- well, it doesn't display
4 it particularly well, but I can dispose of that.

5 THE COURT: Oh.

6 MR. BERNICK: This is very simple. It may be easier
7 to do it this way.

8 Q Would it be fair to say that all of the numbers from
9 2,000 down to 50,000 are all enhancements that are available
10 under the Dow Corning plan?

11 A Yes, that's correct.

12 Q And in what form, what form do those enhancements take,
13 Mr. Dunbar?

14 A Those are the premium payments that are available for the
15 Option 1 and Option 2 claimants.

16 Q If we go down to rupture, the first item under rupture in
17 that column it says, extended to non-disease plus Option II.
18 Is that or is that not an enhancement that is a more favorable
19 treatment financially that is available in the Dow Corning
20 plan?

21 A Yes, it is. In the RSP the only women who can claim for
22 rupture are those that would be able to take what is called
23 fixed benefit. That's the same as the Option 1 in the Dow
24 Corning plan.

25 But in Dow Corning women who have not -- who are not

1 out calculation, the opt out calculation is with respect to
2 what population of claimants?

3 A This is going to be for the entire population of breast
4 implant claimants in the Dow Corning plan.

5 Q Dow Corning breast implant claimants?

6 A Yes.

7 Q Is that the one fifty-nine?

8 A Yes, that's correct.

9 Q 159,000?

10 A Yes.

11 Q Okay. Could you describe in general terms the overall
12 approach that you've followed in determining the opt out
13 population? Just describe it in general terms and then we'll
14 cover the specific steps.

15 A Yes. The -- first we determined as on 26.3 shows what
16 the opt out rate was for the RSP. Then we noted that the RSP
17 has benefits which are in fact less than the benefits that are
18 offered by the joint plan.

19 That tells us that the number of opt outs from the joint
20 plan as a percent is likely to be lower than the number of opt
21 outs from the RSP. That is because the benefits are enhanced
22 more women are likely to accept the settlement offers in the
23 Dow Corning joint plan than actually accepted in the RSP.

24 So for this reason we had to make an adjustment to the
25 opt out rate. And what we did is we developed a relationship

1 A But this is not a matter of statistical explanation,
2 these dollars --

3 Q It's addition, that's right, it's addition. So --

4 THE COURT: Which one is \$1,000 more?

5 A Pardon?

6 THE COURT: Which one is \$1,000 more?

7 A Dow plan is \$1,000 more.

8 THE COURT: If you count the enhancement?

9 A Premium. The premium payments, yes.

10 THE COURT: Okay.

11 Q Now Mr. Dunbar we've talked a lot about these premium
12 payments. What is your estimation as to when the women with
13 Dow Corning claims in this bankruptcy were making the decision
14 as to whether to settle or go in the litigation facility, what
15 is your estimation of when those premium payments would be
16 paid?

17 A Well, actually that's a good point.

18 Q You said seven years from now, didn't you, Mr. Dunbar?

19 A Yeah, they are going to be paid seven years from now. So
20 some -- if there is discounting of the -- of the premium
21 payment then it could -- it could flip.

22 Q As a matter of logic you think that the fact that a woman
23 is going to get some extra money seven years down the road is
24 going to make a pretty big difference in her -- in the
25 behavioral probabilities?

1 A I agree with that.

2 Q You agree that it would not?

3 A I agree that it would make a difference.

4 Q Would make a difference.

5 A I agree the payment delay would -- would make a
6 difference in the evaluation of the benefits, yes.

7 Q Okay. Do you intend to ask Dow Corning to make any
8 efforts to ask Judge Pointer to release the RSP opt out data
9 for A level claims with a rupture and for B level -- B level
10 claims with a rupture?

11 MR. BLIZZARD: Your Honor, I would just like to
12 object to this because it suggests that that data exists and
13 in fact the people aren't examined and categorized by the RSP
14 before they opt out out. So there's no data like that
15 available.

16 THE COURT: One of the questions that was going
17 through my mind the last half hour is when he was asking this
18 same kind of question, I was wondering what is there to ask
19 for? I wasn't sure that there was such a document -- such
20 evidence you are forced to give up.

21 MR. GEOFFREY WHITE: Your Honor, I believe -- excuse
22 me for interrupting.

23 THE COURT: Go ahead.

24 MR. GEOFFREY WHITE: I believe the data does exist
25 and if Mr. Blizzard wants to give testimony later, I would be