

DECLARATION OF MARGARET J. BAUMGARDNER

I, Margaret J. Baumgardner, declare:

1. I am not a party to this action. I have personal knowledge of the facts set forth in this declaration, and if called as a witness, I could and would competently testify as to the truth of the matters set forth herein.

2. I am the Research Coordinator for the Claims Resolution Management Corporation ("CRMC"), a wholly owned subsidiary of the Manville Personal Injury Settlement Trust ("Trust"). The CRMC was created in December 1998 and is staffed by former Trust employees. On January 1, 1999, CRMC began providing claims resolution facility services to the Trust.

3. In this position, I manage the Asbestos Claims Research Facility ("Facility"), a document and records repository located at 3390 Peoria Street, Suite 304, Aurora, Colorado. The Facility contains the business records including but not limited to correspondence, memoranda, reports, records and data compilations ("record") of Manville Corporation or related entities ("Manville"), generally, as well as Manville records relevant to litigation of asbestos liability. The Trust has managed and operated the Facility from November 28, 1988, the date on which the Manville bankruptcy plan was consummated.

4. My experience and familiarity with the documents at the Facility began in 1983 while working for Manville. In my work as a paralegal for Manville, I assisted in locating, indexing and packing many of the records which became the foundation documents for the Facility. I continued to work for Manville until September 1987. From March 1988 to September 1988, I was hired to supervise and assist in the indexing of the first 20,000 boxes which were turned over to the Trust in November 1988. From September 1988 to January 1989, I assisted in the privilege review of documents to be given to the Trust. From November 1988 to April 1994, I worked for Freeborn & Peters and was put in charge of the Facility, managing all productions and "new" acquisitions. In September 1995, I was hired by the Trust to manage the Facility. In December 1998, I was hired by the CRMC to manage the Facility for the Trust. Accordingly, I am

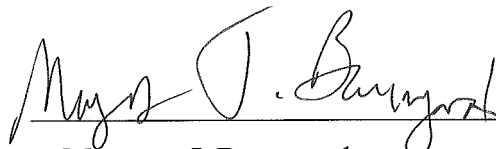
personally familiar with many of the records stored at the Facility, as well as how the records have been gathered.

5. To the best of my knowledge, information and belief, I certify that these records were made at or near the time by, or from information transmitted by, a person with knowledge, were kept in the course of the regularly conducted business activity of Manville, and it was the regular practice and the business activity of Manville to make the records.

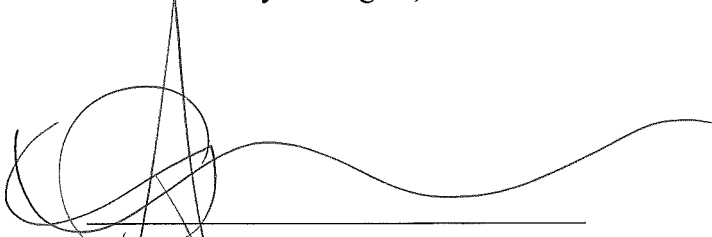
6. Attached is a document found among the files and microfilm at the Facility and are bates labeled CRMC-HT-TALC-000001 through CRMC-HT-TALC-000400 and these documents are true and correct copies of documents found at the Facility.

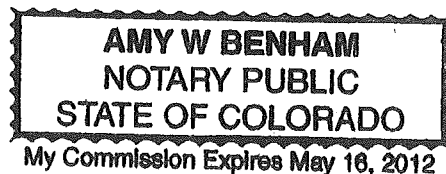
I declare under penalty of perjury under the laws of the State of California and the State of Colorado that the foregoing is true and correct.

Executed on August 3rd, 2010 in Aurora, Colorado.


Margaret J. Baumgardner

Subscribed and sworn to before
me this 3rd day of August, 2010.


Notary Public



DRAFT

PRIVILEGED & CONFIDENTIAL

Attorney-Client Communication

Attorney Work Product

MEMO: To Helen Marsh, Esq.

FROM: Robert L. Goodbinder, Esq.

REGARDING: Interview of April 7, 1989 with Earl B. Smith.

DATE: April 12, 1989

On April 7, 1989 I met with Earl B. Smith in Long Beach, California. We spent the entire day discussing his background and his involvement with the business activities of Desert Minerals Inc. and American Mineral Company. This memorandum is a summary of that interview from my personal notes. This memorandum and notes are being incorporated into the Factual Outline of the history and business of these two companies.

EBS BACKGROUND: EBS has a chemical engineering background. From 1953-1958 he was a Technical Representative for Spencer-Kellogg. During that time he met Joe Ellsworth who subsequently taught him the talc business. Because EBS's background was in the paint and organic chemicals business it was natural for him to go to work for Desert Minerals in 1961. In 1963 he was promoted to sales manager and remained in that position until leaving Desert on June 4, 1973 after it was acquired by JM. He left Desert/JM only because he saw a move to Denver coming and did not want to leave Southern California. He also perceived there was no future for him with JM because it was such a large corporation. Upon leaving Desert/JM he went to work again for Spencer-Kellogg as Western Region sales representative specifically in the area of paints and resins. He retired from their employ approximately three years ago and is currently 64 years of age. He contemplates not working again but is extremely knowledgeable about Desert/JM and because of his position with them and the fact that it was so small a company he has vast knowledge particularly about the product line, sales and their distribution system. He has expressed a sincere desire to help with regard to any information we need to gather or confirm and says he has boxes of documents and memorabilia from his tenure with Desert and Desert/JM.

EBS ON DOCUMENTS: He confirms that to the best of his

knowledge all Desert and American documents regarding sales and distribution systems are stored at the Lompoc, California facility. Additionally he has a number of documents and other materials stored in his garage. He is willing to have us pick those up or review them in California. He has expressed his willingness to help with the interpretation and review of those materials.

He cursorily reviewed the Desertalc Handbook and attachments provided to me. He indicates that they are incomplete and that there is at least one other and maybe two additional volumes which would complete the set. Apparently the materials contained in these additional volumes would be comprised of information regarding distribution, sales and marketing efforts. Tom Remmers or Harry Keefe of JM-Celite Division should have information regarding these. He says that Herb Kranich is the individual who originally assembled the materials for the Desertalc Handbook.

EBS ON SALES, MARKETING AND DISTRIBUTION: Desert's primary markets for talc products were: 1. paint, 2. ceramics, 3. cosmetics, 4. plastics, and 5. rubber which was a very small part of sales, never more than 1% of total sales.

From 1961-1969 were years of tremendous growth in sales volume: \$500,000 in 1961 to \$3,500,000 in 1972 the last year for which EBS had recall without the benefit of sales records. However in approximately 1970-71 the specter of

tremolite reared its head and it was seen as a developing problem which scared Bill Grantham as CEO. Because eastern talcs were far more tremolitic than California talcs in general the "scare" affected them more directly and did not greatly affect the marketing of Desertalc products. Growth in sales had been steady because the ore bodies owned by the Grantham's was consistent in its high whiteness and extremely large. These properties, including a relatively consistent tremolite content of either approximately 5% or 30% depending on the mine from which it came, made the product more marketable than other competitor's talc, particularly those from the west. As a result of these consistent properties the Grantham talc was sold in crude form to many other talc processors. A particularly large consumer of Grantham crude talc was Sierra. Other processors which purchased crude were Western Talc, which became Vanderbilt, and Kennedy Minerals, which became C. K. Williams. After the acquisition by JM there were still sales of crude to other processors. They all could have sold to rubber manufacturers, but EBS could express no thoughts about that.

An important fact is that here was no steam operated micronizing equipment in California except theirs. From this he indicates that no other processor would have bought crude talc for compounding into rubber products because no one in California could process it properly for use as a compounding agent. This is not true for dusting talc as any processor

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DESERTALC[®] COMPETITION

FOREWORD

OUR COMPETITION IS —

— talc originating from our region and other regions in the world. Other than California, the major deposits of talc in the United States are in New York and Montana, with lesser deposits in Vermont, the Southeastern States, and in Texas. The largest source of white or high-brightness talc is Grantham Mines! In general, the other sources are specialized or limited because of purity, color, hardness or abrasiveness, or just plain availability. Other domestic non-metallic minerals such as clay, silica, diatomite, limestone, barytes, gypsum, etc., are not directly competitive to talc because of, in each case, a different function as to chemical and physical properties.

There are other sources of talc in the world market that pose regional competition from the economic factors but the world market potential consumption for our products is substantial because of the unique and ample supplies of the basic crude Grantham resources. Importation of European (notably French and Italian talc) and Canadian talcs has been described in the DESERTALC business portion of this handbook. Imports of talc into the United States have remained relatively constant where Canadian imports have increased and the European imports have decreased.

Keenest competition to our products is at the lower price (and profit margin) products. Our real value and growth potential rests in the properties developed in the micronized, CYCLONIZED[®], or ultra-fine grades where specialized usage commands a higher price and profit. In consideration of all of our competitors products, it is in these premium grades where efforts should be concentrated.

UNITED SIERRA DIVISION OF CYPRUS MINES CORPORATION

I. HISTORY

USD is considered one of the largest talc producers in the world having mining, manufacturing, and distribution facilities in the United States, Europe, Mexico and other areas. Cyprus Mines Corporation acquired the Sierra Talc Company in 1964 and the Southwestern Talc Company in 1965. As an independent producing company, Sierra Talc was one of the largest domestic suppliers in the industry. Sierra Talc Company was headquartered in South Pasadena, California, and was a leader in the industry in research and technical development. They developed a broad line of products specialized for industry consumption with emphasis on ultra-fine or micronized products. Desert Minerals has been fortunate in acquiring much experience and knowledge in our association with individuals such as Joe Ellsworth, Dick Lamar, and Norman Scheffel who all were former employees of the Sierra Talc Company. This experience coupled with the superiority of our basic crude resources has been a fortunate combination which is now even further amplified with the resources of Johns-Manville Corporation.

II. GEOGRAPHY

USD has its headquarters and research facilities at Trenton, New Jersey, from which all activities are directed in talc as well as other non-metallic mineral products. USD mines and mills talc in California, Montana, and Texas. Domestic manufacturing facilities are located at Los Angeles, Keeler and Olancho, California; Three Forks, Montana; and Grand Island, Nebraska. European business is operated through a subsidiary CMC-Sierra Corporation operating a facility at Ghent, Belgium, based on crude talc shipped from the United States and Australia.

III. MINING

USD has historically purchased the bulk of their California talc from Grantham Mines, securing from them a uniform source of high-brightness, crude ore. USD has not publicized this fact; rather, they have promoted the image that they mine California talc from several active mines in the Death Valley area of California. The two principal USD mines that have been publicized are the Panamint and Ixex deposits which are somewhat similar to Grantham talcs in being tremolitic, but are not quite as high brightness as Grantham. USD has historically built a rather broad range of products on the Grantham talc utilizing the high-brightness and uniformity features. The Montana operations of USD are open pit from either the Yellowstone or Beaver head Mines. Yellowstone talc must be hand sorted to produce a commercial grade free from impurities of a steatite type talc. USD Mistron Vapor is based on Yellowstone talc from Montana. Texas talc, as supplied by the Southwestern Talc Corporation, is also open pit. Texas talc is grey to nearly black in color due to organic impurities which make the ground products relatively undesirable for paints and coatings, but ceramic products fired at high temperatures are suitable because the talcs are white firing.

IV. MANUFACTURING

USD processing plants are strategically located for the resources. Steatite and cosmetic grade talcs are processed at Keeler, California, on the west side of Death Valley. The Los Angeles operation processes primarily paint talcs shipped from Grantham and the Southern Death Valley area. Montana talcs are processed at Three Forks, Montana. A fourth mill located at Grand Island, Nebraska, was located at this point to process talcs from either Montana or California enroute to the Eastern markets. The Grand Island location offers no advantage to processing California talcs other than it being a junction point for processing both California and Montana source materials. Basic processing of crude talc at all USD locations is the same as our processing with the additional facilities of fluid energy milling for the production of the ultra-fine Mistron Vapor and Mistron Frost products.

V. MARKETING

USD products service all the industries with which DESERTALCS and CYCLONIZED products are serviced — ceramics, paint, plastics, paper, rubber, cosmetics, etcetera. USD markets their products partially on a direct basis and partially through distributors. The direct sales organization is industry oriented with specialists traveling nationally out of Trenton and some sales offices in the Northeastern United States. Thompson-Hayward is the distributor in the Central and Southeastern states. Van Waters and Rogers is the distributor in the West and Northwestern states. Table I is a data sheet defining the major USD products by important properties. Due to product and specification changes, all of the known products are not listed. Any old or new product numbers or designations that you encounter competitively that are not listed should be evaluated for current recommendations. In general, the Fibrene products are Raymond Mill grinds utilized by the paint and plastics industries. The Mistrons are ultra-fine or micronized products requiring additional processing after the Raymond Mill production. Our DESERTALC MIKRO and CYCLONIZED product series are comparable to the Mistron series. Other specialty grades are often designated by the crude source or special names definitive for the industrial consumption. Your DESERTALC Competition Data Sheet provides our recommendations for general usage.

PFIZER, INC.

I. HISTORY

The talc operations are assigned to the MPM (Minerals, Pigments and Metals Division) and consist of the consolidated operations from several acquisitions. The basic position in talc was initiated by the acquisition of C. K. Williams & Company in 1963. Prior to that, C. K. Williams had acquired the Kennedy Minerals Company of Los Angeles. Kennedy Minerals had operated a mineral processing plant in Los Angeles for several years and was involved with Louise Grantham as described in the DESERTALC Business section of this Handbook by mining at Warm Springs under contract starting in 1943. Kennedy Minerals marketed talcs under the name of Kentalc, Fibre M, and Warm Springs Talc. Kennedy Minerals operation in Los Angeles consisted essentially of Raymond Mill production from which he supplied his products at 200 mesh to the ceramic industry and at 325 mesh to the paint industry. The acquisition by C. K. Williams and subsequently by Pfizer of course did not include the Grantham Mine at Warm Springs Canyon, but it did include two other smaller operating mines in Death Valley called the Eclipse and the Death Valley Mines. Pfizer operated these mines on a small scale and initiated the conversion of the Kennedy Minerals' names to a number system with the coined names Talcron. Then in 1966, Pfizer made an additional acquisition which implanted the MPM Division more firmly into the talc business. This acquisition was that of Southern California Minerals Company with a mill in Los Angeles and a mill at Dunn, California. It is this Dunn Mill that was placed into operation in 1963 by SCMC that is now owned by Johns-Manville for expansion of the Desert Minerals product line. This acquisition also included the purchase of the Tri-State Minerals Company and the Fine Pigments Corporation with plants and mines at Barretts and Dillon, Montana. These Montana operations constituted a joint venture between Southern California Minerals Company and Whittaker, Clark & Daniels. SCMC operated the mines and production facilities and WCD exclusively marketed the finished products east of the Rocky Mountain states. It was through WCD's efforts that WCD 399 SF (Super Fine) became established in the Eastern paint industry as the preferred micronized talc. Many other grades of Montana and California talcs were marketed by WCD under a complex numbering system. WCD has continued to market selected products under a contract with Pfizer since the acquisition — notably WCD 399 SF. Pfizer, thus, supplemented their initial acquisition with additional California mines in the Death Valley area under such names as Apex, Acme, Monarch and Superior. In Montana, the Treasure and Regal Mines continue to supply. Pfizer has amplified the product line accordingly with additional trademarks Cercron (ceramic talcs) and Microtalc (micronized) along with a complex numbering system. Pfizer's activities in the non-metallic mineral business are supplemented with Eastern and Western sources of calcium carbonates, barytes, and others.