

IN THE HIGH COURT OF JUSTICE

Claim No.

CHANCERY DIVISION

THE T&N ASBESTOS TRUSTEE COMPANY LIMITED

Applicant

FIRST WITNESS STATEMENT OF JAMES JOHN GLEAVE

I, **JAMES JOHN GLEAVE** of AlixPartners UK LLP, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB, **WILL SAY AS FOLLOWS:**

A. INTRODUCTION

- 1** I am a director employed by AlixPartners UK LLP and a director of the Applicant. I was a joint administrator of T&N Limited ("**T&N**") and 133 of its affiliates from their entry into administration, which in most cases was on 1 October 2001, until their discharge from administration, which in the case of T&N was on 1 December 2006. I was also a joint supervisor of the company voluntary arrangements of T&N and 48 of its affiliates from their effective date on 11 October 2006 until their termination, which in the case of T&N's company voluntary arrangement was on 28 February 2012.
- 2** The Applicant is the sole trustee of: (i) a trust (the "**UK Asbestos Trust**") established on 11 October 2006 for the purpose of paying holders of asbestos-related personal injury claims against T&N and its affiliates

pursuant to the company voluntary arrangements referred to above; and (ii) a trust (the “**EL Schemes Trust**”) established on 10 October 2006 for the purpose of paying holders of asbestos-related personal injury claims pursuant to schemes of arrangement of T&N and 31 of its affiliates. Further details of the UK Asbestos Trust are at paragraphs 35 to 37 below.

- 3** The facts and matters in this witness statement are either: (i) within my own knowledge and are true; or (ii) are based on documents and information which are identified below and which were supplied to me in my course of acting as an administrator or supervisor of T&N and its affiliates, or as a director of the Applicant, and are true to the best of my knowledge and belief. Facts and matters relating to the period before 1 October 2001 all fall within the latter category.
- 4** I refer throughout this witness statement to a paginated bundle of documents marked “**JJG1**”. Unless otherwise stated, any page or tab references in this statement are references to the pages or tabs of that exhibit.
- 5** In referring to any legal advice the Applicant has received, the Applicant does not intend to, and does not, waive any privilege by such reference or otherwise. In referring to any documents not included in Exhibit JJG1, the Applicant does not intend to, and does not, waive or diminish the confidentiality of such documents by such reference or otherwise.
- 6** I make this statement in support of the Applicant’s application (the “**Procedural Application**”) for permission: (i) to issue a Part 8 Claim Form without naming defendants (pursuant to CPR Rule 8.2A and paragraph 4.2 of Practice Direction 64B); and (ii) to serve the Part 8 Claim Form only on certain persons and in certain ways (pursuant to CPR Rule 19.8A and paragraph 4.3 of Practice Direction 64B).
- 7** If the Procedural Application is successful, the Applicant intends to issue the Part 8 Claim Form (the “**Substantive Application**”) in order to seek the permission of the Court: (i) to enter into an arrangement with the trust that was established in the USA to deal with asbestos-related personal injury claims against T&N affiliates in that jurisdiction, which is known as the Federal-Mogul Asbestos Personal Injury Trust (the “**US Trust**”); and (ii)

to make certain amendments to the trust deed which established the UK Asbestos Trust and also to the related trust distribution procedures. I also make this witness statement in support of the Substantive Application.

- 8** The Applicant would like to have the Procedural Application and the Substantive Application heard and determined by the court before October 2016 when the Applicant is obliged, pursuant to the trust distribution procedures which govern the UK Asbestos Trust, to conduct its five-yearly actuarial review of, *inter alia*, the payment percentages applied to claims admitted to the UK Asbestos Trust. Following both the Substantive Application and the actuarial review, the Applicant will have to write to trust claimants explaining the changes to the trust deed and related trust distribution procedures. To minimise confusion for trust claimants, the Applicant's strong preference is that a single communication can be made which details the changes arising from both. In order for this to be possible, the Substantive Application would need to be heard and determined before the actuarial review begins.
- 9** In summary, the arrangement referred to above would exchange: (i) the UK Asbestos Trust's entitlement to certain recoveries under the Hercules insurance policy; for (ii) the US Trust's reversionary interests in certain parts of the UK Asbestos Trust. Further details of the proposed arrangement are at paragraphs 67 to 69 below.
- 10** The amendments to the trust deed and related trust distribution procedures would permit the trustee of the UK Asbestos Trust to make: (i) an immediate distribution on the reversionary interests acquired; (ii) future distributions on the reversionary interests at the trustee's discretion; (iii) distributions from the parts of the UK Asbestos Trust which will acquire the reversionary interests on the basis of anticipated future distributions on the reversionary interests; (iv) distributions at a fixed level from the parts of the UK Asbestos Trust which will acquire the reversionary interests at the same time as distributions are made from the main funds held in the UK Asbestos Trust to claimants, as well as additional dividends after five years; (v) distributions from the main funds held by the UK Asbestos Trust to the parts of the UK Asbestos Trust which will acquire the reversionary interests in order to smooth distributions from all of the relevant funds between past and future claimants; and (vi) remove

the requirement to advertise to potential trust claimants in two national newspapers every five years. The aim of points (i) to (v) would be to release an anticipated surplus from one part of the UK Asbestos Trust and to use it in another part. Further details of the proposed amendments to the trust deed are at paragraphs 70 to 78 below.

- 11** This witness statement is divided into the following sections:
- (a)** Background (paragraphs 12 to 40);
 - (b)** Attempts to seek recoveries under the Hercules Policy (paragraphs 41 to 49);
 - (c)** Commutation of the Hercules Policy (paragraphs 50 to 55);
 - (d)** Existence of a valuable reversionary interest in the Chester Street Fund (paragraphs 56 to 66);
 - (e)** Proposed arrangement (paragraphs 67 to 69);
 - (f)** Proposed amendments to the trust deed (paragraphs 70 to 78);
 - (g)** Why the Applicant believes the amendments and proposed arrangement should be pursued (paragraphs 79 to 84);
 - (h)** Who is affected by the proposed arrangement and amendments (paragraph 85 to 93);
 - (i)** Consultation with beneficiaries to date (paragraphs 94 to 96;)
 - (j)** Conclusion on the substantive claim (paragraph 97);
 - (k)** Why it is appropriate that no defendants be named (paragraph 98);
 - (l)** Who it is proposed to serve with notice of the claim (paragraphs 99 to 102);
 - (m)** Why hearings are necessary (paragraph 103); and
 - (n)** Procedural directions (paragraphs 104 and 105).

B. BACKGROUND

T&N

- 12 T&N was incorporated in 1920.¹ Throughout much of the 20th century, T&N and its subsidiaries (the “**T&N Group**”) were involved in the manufacture, treatment and sale of asbestos and products which contained asbestos.²

Purchase of the Hercules Policy

- 13 In 1996, T&N purchased a £500 million layer of insurance to cover asbestos-related disease claims against T&N and its UK incorporated subsidiary companies (the “**Hercules Policy**”). The insurer was Curzon Insurance Limited (“**Curzon**”), a wholly owned subsidiary of T&N. Curzon agreed to provide the £500 million insurance cover (the “**Hercules Coverage**”) in excess of a £690 million retention (the “**Hercules Retention**”).³ The terms of the Hercules Policy are confidential.
- 14 The insurance cover provided by Curzon was reinsured by three reinsurers: Centre Reinsurance International Company (“**Centre Re**”), Münchener Rückversicherungs-Gesellschaft AG (“**Munich Re**”) and European International Reinsurance Company Limited (“**EIRC**”) pursuant to a reinsurance agreement (the “**Reinsurance Agreement**” and Centre Re, Munich Re and EIRC together, the “**Reinsurers**”).⁴ The terms of the Reinsurance Agreement are confidential.
- 15 I am advised that the effect, in summary, of the Hercules Policy was that successful asbestos personal injury claims against companies covered by the policy were payable by those companies up to an aggregate amount of the Hercules Retention. Once this threshold had been met, successful asbestos personal injury claims would have been covered by the Hercules Policy and reimbursed by Curzon to the insured company up to an

¹ Paragraph 50.1.1 of the Information About the Companies section of the CVA Proposals at tab 1, page 63.

² Paragraph 4.5 of the Introduction of the CVA Proposals at tab 1, page 12.

³ Paragraph 11.1 of the Background Information section of the CVA Proposals at tab 1, page 29.

⁴ Paragraph 11.1 of the Background Information section of the CVA Proposals at tab 1, page 29.

aggregate amount of the Hercules Coverage. The Reinsurance Agreement had the effect that the Hercules Coverage would ultimately have been borne by the Reinsurers.

Purchase of T&N by Federal-Mogul Corporation

- 16 In 1998, the T&N Group was acquired by the American company Federal-Mogul Corporation (“**FMC**”). This made T&N and the other companies in the T&N Group part of one of the world’s largest producers of automotive and vehicle parts. Along with FMC’s other subsidiary companies, T&N is a member of the “**Federal-Mogul Group**”.⁵

Administration of T&N

- 17 On 1 October 2001, administrators (the “**Administrators**”), of whom I was one, were appointed in respect of 133 English registered companies within the Federal-Mogul Group, including companies in the T&N Group and T&N itself. All of those companies were also the subject of bankruptcy proceedings in the USA under Chapter 11 of Title 11 of the United States Bankruptcy Code (“**Chapter 11**”). There were a further 23 US registered corporations which were subject only to Chapter 11 proceedings.⁶

Asbestos personal injury claims

- 18 The applications for administration orders in October 2001 were principally in response to an increasing amount of asbestos litigation, primarily in the USA, against the Federal-Mogul Group, and in particular against members of the T&N Group. T&N Group companies had, historically, been involved in the manufacture, treatment, sale and application of asbestos and products incorporating asbestos on a worldwide basis. FMC and certain of its US subsidiaries had also

⁵ Paragraphs 4.3 and 4.5 of the Introduction of the CVA Proposals at tab 1, pages 11 and 12.

⁶ Paragraph 4.4 of the Introduction of the CVA Proposals at tab 1, page 11.

manufactured products including asbestos, and asbestos personal injury claims were asserted against them in the US.⁷

- 19** The inhalation of asbestos fibres may cause one or more of a number of diseases. The five main diseases are mesothelioma, asbestos-related lung carcinoma, asbestosis, diffuse pleural thickening and pleural plaques.⁸ Most of the subsidiaries of T&N which faced asbestos personal injury claims traded at all material times as agents for T&N. The effect of the agency relationship was that tort claimants against the relevant subsidiaries were also entitled to claim against T&N as principal.⁹
- 20** In the UK, the largest number of asbestos claims against the T&N Group were brought by former employees. There were also claims from other parties known as "clothing claims", "neighbourhood claims", "indirect claims" and "Cape Claims".¹⁰
- 21** The former employees generally claimed that the relevant company within the T&N Group exposed them to asbestos in the course of their employment and as a result they have suffered an asbestos-related disease.¹¹
- 22** Clothing claims were claims, by family members of T&N Group employees, that they were exposed to asbestos dust on the clothing of those employees. For example, wives who washed the overalls of husbands who had been exposed to asbestos whilst working for one of the companies within the T&N Group. The basis for the alleged liability was negligence.¹²
- 23** Neighbourhood claims were claims from individuals who resided or worked close to T&N Group manufacturing sites where asbestos dust was

⁷ Paragraph 4.5 of the Introduction and paragraph 8.1.1 of the Background Information section of the CVA Proposals at tab 1, pages 12 and 17.

⁸ Paragraph 8.1.3 of the Background Information section of the CVA Proposals at tab 1, page 17.

⁹ Paragraph 8.1.4 of the Background Information section of the CVA Proposals at tab 1, page 17.

¹⁰ Paragraph 8.2.1 of the Background Information section of the CVA Proposals at tab 1, page 17.

¹¹ Paragraph 8.2.2 of the Background Information section of the CVA Proposals at tab 1, page 17.

¹² Paragraph 8.2.3 of the Background Information section of the CVA Proposals at tab 1, page 17.

prevalent. The majority of claims of this type have been brought against J.W. Roberts Limited, which operated a site at Armley, Leeds, which is alleged to have discharged asbestos waste into the environs of the factory.¹³

- 24** Indirect claims were made by parties who were not themselves exposed to asbestos and include, for example: (i) claims for contribution by shipyards or rail companies which exposed their employees to asbestos products manufactured or sold by companies within the T&N Group; (ii) claims by insurers who provided employers' liability insurance cover to companies of that kind; and (iii) claims received from entities seeking a contribution from T&N (and, in some cases, other T&N Group companies) in relation to any underlying asbestos claim for which T&N and/or another T&N Group company was also liable.¹⁴
- 25** Finally, Cape Claims against T&N were claims brought in the UK by former employees of T&N's former subsidiaries outside the UK, asserting negligence by T&N in permitting or causing its subsidiaries to expose their employees to asbestos. T&N had overseas subsidiaries that owned asbestos mines and other asbestos-related operations in various countries, including Swaziland, Zimbabwe, Botswana, India, and South Africa.¹⁵

The CVAs

- 26** An agreement (the "**Settlement Agreement**") was reached on 26 September 2005 between the Administrators, FMC, the representatives of the major creditor constituencies in the US Chapter 11 proceedings and the Board of the UK Pension Protection Fund which paved the way for the English registered companies within the Federal-Mogul Group to exit from the administration proceedings.¹⁶

¹³ Paragraph 8.2.4 of the Background Information section of the CVA Proposals at tab 1, page 17.

¹⁴ Paragraph 8.2.5 of the Background Information section of the CVA Proposals at tab 1, page 17.

¹⁵ Paragraph 8.2.6 of the Background Information section of the CVA Proposals at tab 1, page 18.

¹⁶ Paragraph 4.8 of the Introduction of the CVA Proposals at tab 1, page 12.

- 27 Pursuant to the Settlement Agreement, the Administrators agreed to propose company voluntary arrangements under Part I of the Insolvency Act 1986 (“**CVAs**”) in respect of 49 English registered companies in the Federal-Mogul Group (the “**Companies**”). Amongst the Companies were all those which had material assets and/or third party liabilities, including T&N and other members of the T&N Group.¹⁷ A copy of the CVA Proposals is at tab 1.
- 28 Pursuant to the CVAs, holders of certain asbestos personal injury claims (“**CVA Asbestos Claims**”) against the Companies in the UK and certain other jurisdictions assigned their rights to conduct and receive the proceeds of those claims (and, with respect to claims potentially covered by insurance, certain additional rights) to the Applicant. In exchange, they received a Trust Claim (as defined below), which allowed them to receive a payment or payments from the Applicant in its capacity as UK Asbestos Trustee.¹⁸
- 29 There are 6 types of CVA Asbestos Claim.¹⁹ The first 3 types of CVA Asbestos Claim are asbestos personal injury claims held by people who have been exposed to asbestos or asbestos products, and have themselves suffered personal injuries as a result. The 3 types are:
- (a) “**UK Asbestos PI Claims**”: these are claims for personal injuries caused by exposure to asbestos on the part of or in respect of persons whose alleged exposure (in whole or predominantly) occurred within the UK.
 - (b) “**Cape Claims**”: these are claims for personal injuries caused by exposure to asbestos on the part of or in respect of persons whose alleged exposure (in whole or predominantly) occurred within Swaziland, Zimbabwe, Botswana, India or South Africa as the result of the activities of a subsidiary of T&N operating in those

¹⁷ Paragraph 4.9 of the Introduction of the CVA Proposals at tab 1, page 12.

¹⁸ Paragraphs 19.3.1, 19.3.2 and 19.4.1 of the CVAs and clause 2.2.2 and 2.2.4 of the Trust Deed at tab 1, pages 163 and 164, and tab 2, pages 5 and 6.

¹⁹ Paragraph 18.1 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 38.

countries, and which could be brought against T&N or any of the Companies in the UK courts.

(c) **“Australian Asbestos PI Claims”**: these are claims for personal injuries caused by exposure to asbestos on the part of or in respect of persons whose alleged exposure (in whole or predominantly) occurred within Australia.²⁰

30 These 3 types of CVA Asbestos Claim include indirect asbestos claims, which are claims for contribution, reimbursement, subrogation or indemnity arising out of a liability to compensate the holder of a direct asbestos personal injury claim.²¹

31 The fourth type of CVA Asbestos Claims comprises **“Chester Street Claims”**. These claims concern exposure to asbestos at shipyards. Chester Street Claims include several varieties of claims, including direct asbestos personal injury claims held by shipyard employees, claims for contribution and other indirect asbestos claims arising from the liability of certain shipyards, insurance companies, such as Chester Street Insurance Holdings Limited (**“Chester Street”**), Chester Street Employers Association Limited and QBE Insurance Company (UK) Limited, and other entities to pay compensation to shipyard employees.²²

32 The fifth type of CVA Asbestos Claim comprises **“Agency (CVA Asbestos) Claims”**. These claims arise from asbestos personal injury claims (including indirect asbestos claims) asserted against any company which acted as agent for T&N. The holder of such a claim will have a claim against the Company concerned as agent, and an Agency (CVA Asbestos) Claim in the same amount against T&N as principal.²³

²⁰ Paragraph 18.1.1 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 38.

²¹ Paragraph 18.1.2 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 38.

²² Paragraph 8.2.5 of the Background Information Section and paragraph 18.1.3 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, pages 17 and 38.

²³ Paragraph 18.1.4 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 38.

- 33** The sixth type of CVA Asbestos Claims comprises “**EL Asbestos Insured Claims**”, which are CVA Asbestos Claims in respect of which employers’ liability insurance is available.²⁴
- 34** The CVAs were approved by creditors on 7 September 2006 and became effective on 11 October 2006.

Establishment of the UK Asbestos Trust and US Trust

- 35** As provided for in the CVAs,²⁵ by a trust deed dated 10 October 2006 between T&N, the Companies and the Applicant (the “**Trust Deed**”), the Applicant agreed to act as “**UK Asbestos Trustee**” of the UK Asbestos Trust. A copy of the Trust Deed is at tab 2.
- 36** Pursuant to the Trust Deed, holders of CVA Asbestos Claims were given a trust claim against the UK Asbestos Trust (each a “**Trust Claim**”).²⁶ The “**Trust Distribution Procedures**” regulate the allowance and payment of Trust Claims to holders of those claims.²⁷ A copy of the Trust Distribution Procedures is at tab 8.
- 37** The Trust Deed established, and provided for the future establishment of, a number of specific funds to be held and administered by the UK Asbestos Trustee for the benefit of holders of Trust Claims. These funds include, amongst others²⁸:
- (a) the “**T&N Fund**”, which was established for holders of CVA Asbestos Claims (other than Chester Street Claims) against T&N (“**T&N Trust Claims**”) following the transfer of £33 million by the Administrators on behalf of T&N to the UK Asbestos Trustee²⁹;

²⁴ Paragraph 18.1.5 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 38.

²⁵ Paragraph 12.1.1 of the CVAs at tab 1, page 156.

²⁶ Clause 2.2.2 of the Trust Deed at tab 2, page 5.

²⁷ Paragraph 17.2 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 37.

²⁸ Clause 2.4 of the Trust Deed at tab 2, page 7.

²⁹ Clause 2.1.1(a) of the Trust Deed at tab 2, page 5.

- (b) the “**T&N Hercules Fund**”, which will be established for holders of T&N Trust Claims when Hercules Recoveries (as defined below) are received by the UK Asbestos Trustee and will comprise the percentage of net Hercules Recoveries set out at paragraph 39(b)(ii) below;
- (c) the “**Chester Street Fund**”, which was established for holders of Chester Street Claims following the transfer of £22 million by the Administrators on behalf of T&N to the UK Asbestos Trustee³⁰; and
- (d) the “**Chester Street Hercules Fund**”, which will be established for holders of Chester Street Claims when Hercules Recoveries (as defined below) are received by the UK Asbestos Trustee and will comprise the percentage of net Hercules Recoveries set out at paragraph 39(b)(iii) below. Trust Claims against the Chester Street Fund and the Chester Street Hercules Fund by holders of Chester Street Claims are “**Chester Street Trust Claims**”.

38 The US Trust is a statutory trust organised under the laws of the State of Delaware, USA and was established on 27 December 2007 when the Fourth Amended Joint Plan of Reorganisation (the “**Plan**”) became effective in the Chapter 11 cases of FMC, T&N, and certain other members of the Federal-Mogul Group (the companies subject to the Plan being the “**Debtors**”).³¹ The Plan provided for the holders of all asbestos personal injury claims (other than CVA Asbestos Claims) (“**Chapter 11 Asbestos Claims**”) against the Debtors covered by the Hercules Policy to: (i) assign their rights to the proceeds of such claims to the US Trust; and (ii) appoint the US Trust as such holders’ agent to assert their Chapter 11 Asbestos Claims against the applicable Debtor.³² A copy of the Plan is at tab 4.

³⁰ Clause 2.1.1(b) of the Trust Deed at tab 2, page 5.

³¹ Order of the US Bankruptcy Court for the District of Delaware, dated 27 December 2007 at tab 5, and section 4.1 of the Plan at tab 4, page 89.

³² Sections 4.5.7 and 4.5.8 of the Plan at tab 4, page 93.

39 The CVAs and the Plan deal with how funds recovered in respect of the Hercules Policy (“**Hercules Recoveries**”) are to be distributed.³³ The UK Asbestos Trust and the US Trust share the benefit of the Hercules Policy after the payment of certain costs and expenses.³⁴ Following an order of the English court dated 28 June 2007 which determined the percentage at sub-paragraph (a) below and which is at tab 3, net Hercules Recoveries are to be distributed as follows:

- (a) 6.3% to the US Trust on behalf of Gasket Holdings, Inc. (“**GHI**”) and Ferodo America, Inc. (“**Ferodo**”);
- (b) 93.7% to the US Trust, T&N Hercules Funds and Chester Street Hercules Fund in the following proportions:
 - (i) 88.10% to the US Trust;
 - (ii) 7.14% to the T&N Hercules Fund; and
 - (iii) 4.76% to the Chester Street Hercules Fund.³⁵

40 The interests of GHI and Ferodo, both US-incorporated subsidiaries of FMC, in Hercules Recoveries arise because of the trust interest in certain recoveries under the Hercules Policy asserted by these entities.³⁶

C. ATTEMPTS TO SEEK RECOVERIES UNDER THE HERCULES POLICY

41 The CVAs provide for T&N and the other Companies which are covered by the Hercules Policy (the “**CVA Hercules-Protected Entities**”) to retain liability for CVA Asbestos Claims within the scope of the Hercules Policy until the expiry of the Hercules Policy.³⁷ Similarly, the Plan provides for T&N and other Debtors which are covered by the Hercules Policy

³³ Paragraph 19.8.4 of the CVAs and section 4.5.12(c) of the Plan at tab 1, page 168 and tab 4, page 99.

³⁴ Paragraph 19.8.4 of the CVAs and section 4.5.12(c) of the Plan at tab 1, page 168 and tab 4, page 99.

³⁵ Paragraph 19.8.4 *Seventhly* of the CVAs and section 4.5.12(c) *Seventhly* of the Plan at tab 1, page 169 and tab 4, page 99.

³⁶ Paragraph 21.2 of the Information for Holders of Asbestos Personal Injury Claims section of the CVA Proposals at tab 1, page 41.

³⁷ Paragraph 19.2.1 of the CVAs at tab 1, page 162.

(“**Chapter 11 Hercules-Protected Entities**”) to retain liability for Chapter 11 Asbestos Claims within the scope of the Hercules Policy until the expiry of the Hercules Policy.³⁸

42 As referred to above at paragraphs 28 and 38, holders of CVA Asbestos Claims and Chapter 11 Asbestos Claims appointed the UK Asbestos Trustee and the US Trust, respectively, as their agents to assert CVA Asbestos Claims and Chapter 11 Asbestos Claims against CVA Hercules-Protected Entities and Chapter 11 Hercules-Protected Entities (together “**Hercules-Protected Entities**”).

43 Prior to the commutation of the Hercules Policy which is described at paragraph 51 below, the US Trust and the UK Asbestos Trustee had joint responsibility for seeking recoveries under the Hercules Policy and had each been granted powers of attorney by T&N to enable them to take all necessary and/or appropriate steps to pursue Hercules Recoveries on behalf of T&N.³⁹ To reflect their respective economic interests the US Trust and the UK Asbestos Trustee agreed that the US trust would take the lead in resolving the Hercules Policy. I am advised that Curzon, and ultimately the Reinsurers, would have been required to begin making payments to T&N in respect of the £500 million Hercules Coverage if the sum of (a) and (b) below were in excess of the £690 million Hercules Retention:

(a) The aggregate value of asbestos personal injury claims paid out by Hercules-Protected Entities in accordance with the terms of the Hercules Policy prior to 1 October 2001 in relation to claims notified to the relevant Hercules-Protected Entities after the inception date of the Hercules Policy on 1 July 1996.

(b) The aggregate value of CVA Asbestos Claims and Chapter 11 Asbestos Claims established by the UK Asbestos Trustee and the US Trust and accepted by the Reinsurers as being valid for the purpose of eroding the Hercules Retention.

³⁸ Section 4.5.6 of the Plan at tab 4, page 92.

³⁹ Paragraphs 14.4 and 19.7.1 of the CVAs and sections 4.5.3 and 4.5.11 of the Plan at tab 1, pages 159 and 166, and tab 4, pages 91 and 97.

- 44** Any such payments by Curzon would have constituted Hercules Recoveries and, as described at paragraph 39 above, net Hercules Recoveries would then have been paid to the US Trust and the UK Asbestos Trustee for the benefit of holders of T&N Trust Claims, Chester Street Trust Claims and trust claims against the US Trust.
- 45** I understand that prior to October 2001, T&N estimated that some £300 million of relevant asbestos personal injury claims against Hercules-Protected Entities had been settled. However, I have never seen any background information to support this figure and this figure was not agreed with the Reinsurers. As far as I am aware, no common understanding was reached with the Reinsurers on T&N's pre-administration litigation policy of trying, where possible, to settle claims without a full court process. I believe the Reinsurers would have disputed the principle of settling claims without litigation. For these reasons, the £300 million figure could be viewed as a 'best-case' scenario in estimating pre-administration asbestos claims which would be valid for the purposes of eroding the Hercules Retention.
- 46** I understand that since the CVAs became effective in October 2006, the Reinsurers did not accept that settlements under the Trust Distribution Procedures (both the UK version referred to above and set out at tab 8, as well as its US Trust equivalent) were valid for the purposes of eroding the Hercules Retention. The Reinsurers' position appeared to be that only awards of damages obtained after pursuing a full court process were valid for that purpose.
- 47** As a result, there is considerable uncertainty as to the amount of the Hercules Retention which, immediately prior to the Commutation described at paragraph 51 below, had been successfully eroded.
- 48** The UK Asbestos Trustee has had some discussions about the Chapter 11 Asbestos Claim cases that the US Trust has pursued through the US courts, although such discussions have only been in broad, general terms. I understand that the US Trust has only pursued a small number of claims against Chapter 11 Hercules-Protected Entities (fewer than ten) and that the awards have been below \$10 million in each case. The US Trust dismissed the possibility of eroding the Hercules Retention through a

continued litigation process as the costs of doing so were disproportionately high.

- 49 I understand that the US Trust had, immediately prior to the Commutation described at paragraph 51 below, spent something in the region of \$44 million on litigation and other costs in pursuing these claims and other associated legal actions. Subject to any disputes about quantum, these costs will be deducted from Hercules Recoveries and thus dilute the amounts received by the UK Asbestos Trustee and the US Trust, set out at paragraph 39(b) above.

D. COMMUTATION OF THE HERCULES POLICY

- 50 The UK Asbestos Trustee and the US Trust may, pursuant to the terms of the CVAs and the Plan, jointly negotiate with Curzon and/or the Reinsurers for the commutation of the Hercules Policy.⁴⁰
- 51 By a series of confidential agreements dated 28 October 2015, the Applicant, the US Trust, T&N, the Reinsurers, Curzon and, for reasons which are immaterial for the purpose of this application, Sedgwick Limited and certain of its affiliates and Marsh USA Inc., agreed with effect from that date to a commutation of the Hercules Policy (the “**Commutation**”).
- 52 The effect of the documents entered into in respect of the Commutation was that a final cash payment of £56.55 million was made for the benefit of the US Trust and the UK Asbestos Trustee and the Reinsurance Agreement and the Hercules Policy were both cancelled. The final cash payment was passed from the Reinsurers (as well as Sedgwick Limited and certain of its affiliates and Marsh USA Inc.) to Curzon, to T&N and finally to the Hercules Payment Agents on behalf of the US Trust and the UK Asbestos Trustee. The commutation payment constitutes “Hercules Recoveries” and, after the payments to the US Trust on behalf of GHI/Ferodo and of certain costs and expenses (including the significant US Trust costs referred to at paragraph 49 above), will be available for the benefit of holders of T&N Trust Claims, Chester Street Trust Claims and

⁴⁰ Paragraph 19.19.1 of the CVAs and section 4.5.21 of the Plan at tab 1, page 173 and tab 4, page 104.

trust claims against the US Trust, in the proportions set out at paragraph 39 above.

- 53** The Commutation constitutes the expiry of the Hercules Policy. As a result, *inter alia*:
- (a) pursuant to Paragraph 19.18.2 of the CVAs and subject to limited exceptions, the CVA Hercules-Protected Entities were released from any and all liability for CVA Asbestos Claims within the scope of the Hercules Policy;
 - (b) pursuant to Section 4.5.20(a) of the Plan and subject to limited exceptions, the Chapter 11 Hercules-Protected Entities were released from any and all liability for Chapter 11 Asbestos Claims within the scope of the Hercules Policy; and
 - (c) the powers of attorney granted to the US Trust and the UK Asbestos Trustee to take all necessary and/or appropriate steps to pursue Hercules Recoveries on behalf of T&N were revoked.
- 54** The UK Asbestos Trustee estimates that a Commutation at £56.55 million will result in a payment to the UK Asbestos Trustee of approximately £3 million. Pursuant to the percentages set out at paragraph 39(b) above, approximately £1.8 million will be payable to the T&N Hercules Fund and approximately £1.2 million will be payable to the Chester Street Hercules Fund.
- 55** However, the percentage split of Commutation proceeds between the two funds does not reflect the split of claims against those funds. As a result, there is likely to be a surplus of approximately £0.8m in the Chester Street Hercules Fund because, as explained below at paragraph 58, the payment percentage from that fund is limited by reference to the payment percentage from the T&N Hercules Fund. At present, therefore, the UK Asbestos Trustee expects to receive something in the region of £3 million of Commutation proceeds, but only to be able to distribute about £2.2 million of them to Trust Claimants.

E. EXISTENCE OF A VALUABLE REVERSIONARY INTEREST IN THE CHESTER STREET FUND

- 56** The reversionary interests in the Chester Street Fund and Chester Street Hercules Fund are stated in the Trust Deed to be held by T&N.⁴¹ In 2009, T&N gave notice to the UK Asbestos Trustee that it had assigned its reversionary interests in the Chester Street Fund and Chester Street Hercules Fund to the US Trust. A copy of the Notice of Assignment is at tab 6.
- 57** Fewer claims have been successfully made against the Chester Street Fund than was originally anticipated. To date, claims and costs have largely been paid out of income, such that the original £22 million of capital is still almost intact. If claims continue at the current projected rate, the UK Asbestos Trustee estimates that there will ultimately be a surplus in the Chester Street Fund with a net present value of almost £12 million. The UK Asbestos Trustee has taken actuarial advice in preparing this estimate.
- 58** Chester Street Trust Claims are paid at rates linked to those payable from the T&N Fund and T&N Hercules Fund.⁴² This means that however large the surpluses in the Chester Street Fund and/or Chester Street Hercules Fund may be, payments to holders of Chester Street Trust Claims will always be capped by reference to the payment percentage in the T&N and T&N Hercules Funds. The surpluses will be paid to the holder of the reversionary interests.
- 59** The UK Asbestos Trustee can only pay the reversionary interest “after the Trustees are satisfied that no further Chester Street Trust Claims will be notified to them”.⁴³ The UK Asbestos Trustee currently works on the basis of the UK Asbestos Trust continuing to pay out claims until 2046. However, recently the actuarial advisors to the UK Asbestos Trust have advised that it is likely that claims will continue to be received after this date, albeit at a very much reduced rate. The probability is that this will be

⁴¹ Clauses 2.4.3(b) and 4.1.2(c) of the Trust Deed at tab 2, pages 7 and 9.

⁴² Clause 4.1.2(a) of the Trust Deed and clauses 4.3 and 4.9.2 of the Trust Distribution Procedures at tab 2, page 9 and tab 8, pages 47 and 51.

⁴³ Clause 4.1.2(c) of the Trust Deed at tab 2, page 9.

at approximately the same time as claims stop being made against the T&N Fund and the US Trust. Accordingly, in practical terms, the reversionary interests in the Chester Street Fund and the Chester Street Hercules Fund are of little use to either the US Trust or the UK Asbestos Trustee in their current form.

Key holders of Chester Street Trust Claims

- 60** Chester Street Trust Claims come primarily from two sources: (i) Chester Street; and (ii) the Secretary of State for Business, Innovation and Skills as transferee of the responsibilities and liabilities of British Shipbuilders (“**the Secretary of State**”).
- 61** British Shipbuilders was a public corporation that owned and managed large parts of the British shipbuilding industry and was established by the Aircraft and Shipbuilding Industries Act 1977 (the “**Act**”).⁴⁴ Following the privatisation of all of its active subsidiaries, British Shipbuilders’ main function was to act as the vehicle through which long term industrial disease liabilities were managed.⁴⁵ British Shipbuilders was dissolved on 22 March 2013 by the Public Bodies (Abolition of British Shipbuilders) Order 2013 (the “**Order**”) and its, and its subsidiaries’, property, rights and liabilities were transferred to the Secretary of State for Business, Innovation and Skills.⁴⁶ A copy of the Order is at tab 9. The Secretary of State is represented by the law firm Clyde & Co. LLP which manages the Secretary of State’s claims against the Chester Street Fund.
- 62** Chester Street was a general insurance company. In 2001 it received the preliminary findings of an actuarial review of its reserves which indicated that a substantial increase would be required in the level of its provision for claims incurred but not yet reported, particularly insofar as that provision was for losses forecast to arise out of claims for asbestos-related diseases written many years before. Chester Street appointed

⁴⁴ Paragraph 1, Background, Government Response to consultation on the proposed abolition of British Shipbuilders, dated July 2012 at tab 7, page 3.

⁴⁵ Paragraph 2, Background, Government Response to consultation on the proposed abolition of British Shipbuilders, dated July 2012 at tab 7, page 3.

⁴⁶ Section 2 of the Order at tab 9, page 2.

provisional liquidators on 9 January 2001 and a scheme of arrangement of its liabilities was sanctioned by the court on 28 February 2001 and became effective on 5 March 2001. Chester Street continues to be subject to that scheme of arrangement and make payments to its creditors. The Scheme Administrators are Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP.⁴⁷

- 63** Chester Street claims have been submitted to the UK Asbestos Trustee throughout the life on the Trust although not at consistent levels. Historically the submission of claims has been slow and the claims administrators appeared to struggle to obtain the information needed to enable the UK Asbestos Trustee to agree their claims in accordance with the Trust Distribution Procedures. Accordingly, a lot of the claims were time-barred or rejected for other reasons.
- 64** As at 21 March 2016, the Chester Street Fund had settled 497 claims with a gross value of £15.6 million, paying a total of £4.2 million of initial dividends in compensation. These claims were predominantly submitted by Chester Street. The UK Asbestos Trustee anticipates future claims will be submitted by the legal representatives of the Secretary of State, as well as Chester Street.
- 65** In addition to settling claims on a case by case basis as prescribed by the Trust Distribution Procedures, two bulk settlements have been agreed and paid by the UK Asbestos Trustee out of the Chester Street Fund.
- (a)** An agreement was reached with the administrators of Chester Street over all claims relating to the period prior to its insolvency in December 2000. This resulted in an initial dividend on those claims of £570,000. A second dividend of £380,000 was paid in 2013, five years after the initial dividend.
 - (b)** An agreement was reached with the Secretary of State for a lump sum settlement of all claims relating to the period from the date of T&N's administration (1 October 2001) to 31 July 2010. The UK

⁴⁷ Page 2 of Chester Street Insurance Holdings Limited Annual Report and Account 31 December 2014 at tab 10.

Asbestos Trustee negotiated a commercial settlement by making a payment of £2 million.

- 66 The UK Asbestos Trustee's estimation of the projected surplus in the Chester Street Fund assumes more of the Secretary of State's claims will be admitted by the UK Asbestos Trustee in future.

F. PROPOSED ARRANGEMENT

- 67 In view of the Commutation of the Hercules Policy referred to at paragraph 51 above, the UK Asbestos Trustee and the US Trust have agreed a potential arrangement intended to increase the distributions to holders of T&N Trust Claims and Chester Street Trust Claims (the "**Proposed Arrangement**"). An agreement (the "**Assignment Agreement**") has been agreed in principle by the UK Asbestos Trustee and the US Trust in order to give effect to the Proposed Arrangement. A copy of the Assignment Agreement is at tab 13.

- 68 The effectiveness of the Assignment Agreement is conditional on the UK Asbestos Trustee obtaining the approval of the Court to enter into both the Proposed Arrangement and make the Amendments to the Trust Deed described at paragraph 70 below.⁴⁸

- 69 The Proposed Arrangement is structured as follows and a diagram of the proposal is contained within the consultation document that was provided to the Trust Committee at tab 11:

- (a) the US Trust and the UK Asbestos Trustee agree to vary the 7.14%:4.76% split of net Hercules Recoveries as between the T&N Hercules Fund and the Chester Street Hercules Fund to an amended split of 9.916%:1.984%, to reflect the UK Asbestos Trustee's view of the likely respective asbestos liabilities of the two funds;⁴⁹

⁴⁸ Clause 3.3 of the Assignment Agreement at tab 13, page 3.

⁴⁹ Clause 2.1 of the Assignment Agreement at tab 13, page 3.

- (b) the T&N Hercules Fund and the Chester Street Hercules Fund assign to the US Trust their rights to receive Hercules Recoveries;⁵⁰ and
- (c) the US Trust assigns to the UK Asbestos Trustee to hold for the benefit of the T&N Hercules Fund and the Chester Street Hercules Fund its reversionary interests in the Chester Street Fund and the Chester Street Hercules Fund in proportions as varied pursuant to (a) above (save that the whole of the reversionary interest in the Chester Street Hercules Fund is assigned to the T&N Hercules Fund in order to avoid circularity).⁵¹

G. PROPOSED AMENDMENTS TO THE TRUST DEED

70 In order to derive value from the reversionary interests in the Chester Street Fund and the Chester Street Hercules Fund, the UK Asbestos Trustee would need to make amendments (the “**Amendments**”) to the Trust Deed and Trust Distribution Procedures:

- (a) to permit immediate and regular ongoing distributions on the Chester Street Fund reversionary interest such that the Chester Street Fund would eventually eliminate its projected surplus and provide the T&N Hercules Fund and the Chester Street Hercules Fund with funds to distribute;
- (b) to calculate and distribute on the Chester Street Fund reversionary interest to each of the T&N Hercules Fund and the Chester Street Hercules Fund by reference to the value of claims actually received by each fund from time to time, such that: (i) the projected surplus in the Chester Street Fund could be eroded gradually over time with the benefit of ongoing re-estimations of the extent of the projected surplus (rather than by a single lump-sum payment); and (ii) no surplus should be created in either the T&N Hercules Fund or the Chester Street Hercules Fund;

⁵⁰ Clause 3.2 of the Assignment Agreement at tab 13, page 3.

⁵¹ Clause 3.1 of the Assignment Agreement at tab 13, page 3.

- (c) to permit distributions to holders of T&N Trust Claims and Chester Street Trust Claims (“**Trust Claimants**”) from the T&N Hercules Fund and Chester Street Hercules Fund calculated on the basis that each fund already holds the funds that are projected to be distributed to them in future from the Chester Street Fund;
- (d) to permit distributions to Trust Claimants from the T&N Hercules Fund and Chester Street Hercules Fund at the same time as those Trust Claimants receive their initial dividends from the T&N Fund or Chester Street Fund (as applicable) in an amount equal to what Trust Claimants would have received if the Commutation proceeds had been paid to the UK Asbestos Trustee and immediately distributed by way of a single dividend, as well as to pay additional dividends to such Trust Claimants after five years, with catch-up dividends for Trust Claimants who have already received their initial dividends; and
- (e) in the event that future re-estimations of the projected surplus in the Chester Street Fund result in a smaller surplus than currently projected, to permit the UK Asbestos Trustee to pay all or part of Trust Claimants’ additional dividends from the T&N Fund or Chester Street Fund (as applicable) to the T&N Hercules Fund or Chester Street Hercules Fund (as applicable), instead of to the Trust Claimants, effectively as a partial rebate of the prior distributions from the T&N Hercules Fund or Chester Street Hercules Fund, in order to smooth the distribution of Hercules Recoveries between past and future Trust Claimants.

71 The current drafts of the UK Asbestos Trustee’s proposed Amendments to the Trust Deed and Trust Distribution Procedures will be provided prior to the hearing.

72 The reason for the amendments at paragraphs 70(a) to 70(c) is to avoid the need to distribute the entire projected surplus in the Chester Street Fund immediately. If the T&N Hercules Fund and Chester Street Hercules Fund can distribute on the basis of anticipated future receipts from the Chester Street Fund, that will enable the UK Asbestos Trustee to keep more money in the Chester Street Fund for longer, thereby reducing the

risk to future holders of Chester Street Trust Claims from a possible over-estimate of the likely future surplus.

- 73** The reason for the amendments at paragraphs 70(d) and 70(e) above is to facilitate prompt distributions from the T&N Hercules Fund and Chester Street Hercules Fund, while at the same time reducing the risk to future Trust Claimants of: (i) a possible over-estimate of the likely surplus in the Chester Street Fund; and (ii) a consequent reduction in funds available in future for the T&N Hercules Fund and the Chester Street Hercules Fund. The amendment at paragraph 70(d) also ensures that Trust Claimants are placed financially in the position they would have been if the Commutation proceeds had been paid to the UK Asbestos Trustee and immediately distributed by way of a single dividend.
- 74** Every five years, the UK Asbestos Trustee is required to place advertisements in two national newspapers giving notice that any person who considers that he has a Trust Claim should take steps to assert it, as well as indicating how such person may obtain details of the Trust Deed and the Trust Distribution Procedures and lodge his proof of claim.⁵²
- 75** The UK Asbestos Trustee recently obtained quotes from two national newspapers for the advertisements it is required to place in October 2016. The amounts quoted were:
- (a)** The Sun: full page: £55,502, half page: £27,727; and
 - (b)** The Daily Mail: full page: £32,508, half page: £16,254.
- 76** These are considerable sums of money which would otherwise be paid to Trust Claimants.
- 77** The last time that the UK Asbestos Trustee placed advertisements in national newspapers in October 2011, the number of Trust Claimants who came forward to assert potential Trust Claims in the immediately following months was not noticeably higher than in the months prior to placing the advertisements. As a result, the UK Asbestos Trustee believes that the value to the UK Asbestos Trust of placing such advertisements is minimal

⁵² Clause 2.1.2 of the Trust Distribution Procedures at tab 8, page 12.

and that the costs incurred would be better spent in paying holders of established Trust Claims.

78 Accordingly, at the same time as making the Amendments, the UK Asbestos Trustee intends to amend the Trust Deed to remove the requirement to advertise in two national newspapers every five years. The UK Asbestos Trustee intends to continue to advertise in the Law Society Gazette on an annual basis.

H. WHY THE APPLICANT BELIEVES THE AMENDMENTS AND PROPOSED ARRANGEMENT SHOULD BE PURSUED

79 The UK Asbestos Trustee firmly believes that the Amendments and Proposed Arrangement should be pursued because they are in the best interests of Trust Claimants. A report summary from the UK Asbestos Trustee's actuary is at tab 12.

80 In the absence of an alteration of the split of Hercules Recoveries between the T&N Hercules Fund and the Chester Street Hercules Fund, the UK Asbestos Trustee estimates that it will only be able to distribute £2.2 million of the £3 million Commutation proceeds. This is because, as explained above at paragraph 58 above, the payment percentage from the Chester Street Hercules Fund is limited by reference to the payment percentage from the T&N Hercules Fund.

81 Therefore as things stand, the UK Asbestos Trustee expects to have to pay surpluses from the two Chester Street funds of approximately £0.8 million and £12 million to the US Trust. This is in spite of the fact that the current distribution rate from the Chester Street Fund, which is subject to review, is only 35p in the £. The projected distribution rate from the Chester Street Hercules Fund is 1p to 2p in the £.

82 Part of the reason for the Proposed Arrangement is that the UK Asbestos Trustee is only able to alter the split of Hercules Recoveries between the T&N Hercules Fund and the Chester Street Hercules with the consent of the US Trust.⁵³ The US Trust has told me that its position is that the commercial justification for agreeing to such an amendment is minimal,

⁵³ Paragraph 19.10 of the CVAs at tab 1, page 169.

such that absent a wider arrangement they would find it difficult to consent to an alteration of the percentages.

83 The financial impact of the Proposed Arrangement and Amendments on the UK Asbestos Trust would be to exchange:

- (a) its current entitlement to approximately £3 million of Commutation proceeds from the Hercules Policy, being the proportion available to the T&N Hercules Fund together with the proportion available to the Chester Street Hercules Fund; for
- (b) the anticipated £12 million surplus in the Chester Street Fund, which would be available for distribution almost immediately if the amendments to the Trust Deed were approved by the Court (albeit subject paragraph 70(c) above regarding the method and timing of payment).

84 This should allow the UK Asbestos Trustee to increase distributions from the T&N Hercules Fund and the Chester Street Hercules Fund from 1p to 2p in the £ to 8p to 10p in the £. The UK Asbestos Trustee considers that the substantial benefits of this fourfold to fivefold increase in distributions outweighs the risks.

I. WHO IS AFFECTED BY THE PROPOSED ARRANGEMENT AND AMENDMENTS

85 The Proposed Arrangement and Amendments would affect holders of T&N Trust Claims and Chester Street Trust Claims.

T&N Trust Claims

86 Holders of T&N Trust Claims would be affected in the following ways:

- (a) the T&N Hercules Fund:
 - (i) would be able to pay existing claimants approximately four to five times more than it would have been able to pay them absent the Proposed Arrangement and Amendments; and
 - (ii) should also be able to pay future claimants approximately four to five times more than it would have been able to pay

them absent the Proposed Arrangement and Amendments, albeit that this will depend on the full actuarial review which the UK Asbestos Trustee is obliged to commission on the tenth anniversary of the inception of Trusts (October 2016), and also on subsequent actuarial reviews;

- (b) the payment percentage out of the T&N Fund will remain unchanged by the Proposed Arrangement and Amendments for present claimants and should remain the same for future claimants, albeit that this too depends on the results of the full actuarial review; and
- (c) in the event that future re-estimations of the projected surplus in the Chester Street Fund result in a smaller surplus than currently projected, (i) future claimants will get less from the T&N Hercules Fund and (ii) returns to claimants from the T&N Fund paid within the previous 5 years will be reduced by payments to the T&N Hercules Fund (using amounts which otherwise would have been used to pay additional dividends to them) as a partial rebate of the prior distributions from the T&N Hercules Fund, in order to smooth the distribution of Hercules Recoveries between past and future holders of T&N Trust Claims.

Chester Street Trust Claims

87 On the basis of its current projections, the UK Asbestos Trustee expects that holders of Chester Street Trust Claims would be affected in the following ways:

- (a) the increase in funds being paid into the T&N Hercules Fund would lead to a higher payment percentage in the Chester Street Hercules Fund, because the rate payable from the Chester Street Hercules Fund is linked to that payable from the T&N Hercules Fund and consequently:
 - (i) the Chester Street Hercules Fund would be able to pay approximately four to five times more to existing claimants than it would have been able to pay them absent the Proposed Arrangement and Amendments; and

- (ii) the Chester Street Hercules Fund should also be able to pay approximately four to five times more to future claimants than it would have been able to pay them absent the Proposed Arrangement and Amendments;
- (b) the payment percentage out of the Chester Street Fund will remain unchanged by the Proposed Arrangement and Amendments for present claimants and should remain the same for future claimants, albeit that it is linked to the payment percentage out of the T&N Fund, which in turn depends on the results of the full actuarial review; and
- (c) in the event that future re-estimations of the projected surplus in the Chester Street Fund result in a smaller surplus than currently projected, (i) future claimants will get less from the Chester Street Hercules Fund and (ii) returns to claimants from the Chester Street Fund paid within the previous 5 years will be reduced by payments to the Chester Street Hercules Fund (using amounts which otherwise would have been used to pay additional dividends to them) as a partial rebate of the prior distributions from the Chester Street Hercules Fund, in order to smooth the distribution of Hercules Recoveries between past and future holders of Chester Street Trust Claims.

88 The holders of claims against the T&N Fund and the T&N Hercules Fund are the same, as are holders of claims against the Chester Street Fund and the Chester Street Hercules Fund. They are, respectively, holders of T&N Trust Claims and Chester Street Trust Claims. Whilst the impact of the Proposed Arrangement and Amendments on claimants from the Chester Street Fund is neutral at best and detrimental at worst, this should be considered alongside the substantial projected benefits obtained by those same claimants from the Chester Street Hercules Fund. Absent a statistically remote possibility, all holders of T&N Hercules Fund claims and Chester Street Hercules Fund claims will benefit from the Proposed Arrangement and Amendments.

89 The Proposed Arrangement and Amendments involve risks to future claimants, including that there will be a future increase in successful

Chester Street Trust Claims, such that the projected surplus may be less than expected or may not materialise at all. This could have the result that early distributions on the reversionary interests could prove to have been made in error. If this happens, distributions from the Chester Street Fund to Trust Claimants may reduce and distributions to the Chester Street Hercules Fund and the T&N Hercules Fund may reduce or cease to be made. There is no provision for money to be recovered from claimants to whom it has been paid.

- 90** However, the amendment outlined at 70(e) is designed to mitigate any negative impact on future claimants by allowing amounts which otherwise would have been paid as additional dividends out of the T&N Fund and the Chester Street Fund to past claimants to be transferred to the T&N Hercules Fund and the Chester Street Hercules Fund, respectively, in order to boost future claimants' total dividends to levels which are closer to what they would have received if they had claimed before the projected surpluses were revised downwards.
- 91** The risk to future holders of Chester Street Trust Claims is also mitigated by the proposal to make payments on the reversionary interests over time, rather than distributing the estimated net present value of the reversions immediately. This will allow the valuations given to the reversionary interests to be adjusted over time and distributions made accordingly.
- 92** The majority of Chester Street Trust Claims are claims for contribution in respect of amounts already paid to individuals who have suffered directly from asbestos-related diseases, not direct claims from those individuals. This means that the present and expected future holders of Chester Street Trust Claims are largely the same entities. Further details as to the identities of current holders are at paragraph 60 below. As a result, if the UK Trustee's estimations of future Chester Street Trust Claims and investment returns are wrong, it should largely be the same entities benefiting from overpayment now that will be harmed by any shortfall in the future.
- 93** The same cannot be said for the holders of T&N Trust Claims. However, this group has far less at stake, as its risk is limited to a potential future shortfall in the T&N Hercules Fund. At present, the T&N Fund pays a total

of 32p in the £. If the UK Asbestos Trustee were to distribute the proceeds from the Commutation, the projected payment percentage from the T&N Hercules Fund would be 1p to 2p in the £ (compared to 8p to 10p in the £ following the Proposed Arrangement and Amendments). The only amount at risk for holders of T&N Trust Claims is, therefore, the 1p to 2p in the £ they would receive absent the Proposed Arrangement and Amendments.

J. CONSULTATION WITH BENEFICIARIES TO DATE

94 The UK Asbestos Trustee has begun a consultation process with the Trust Committee and key current holders of Chester Street Trust Claims, and only intends to consummate the Proposed Arrangement and make the Amendments to the Trust Deed if they do not object.

95 As part of the consultation process, the UK Asbestos Trustee provided the Trust Committee and Chester Street a consultation document which summarises the effects of the Amendments and Proposed Arrangement. A copy of the consultation document is at tab 11.

96 In my witness statement in support of the Substantive Application, I intend to update the Court on the progress of the consultation process and hope to confirm that the Trust Committee and the key current holders of Chester Street Trust have not objected to the Amendments and Proposed Arrangement.

K. CONCLUSION ON THE SUBSTANTIVE CLAIM

97 In conclusion, the UK Asbestos Trustee considers that the Amendments and Proposed Arrangement are in the best interests of Trust Claimants as the substantial benefit of the projected fourfold to fivefold increase in distributions from the T&N Hercules Fund and the Chester Street Hercules Fund outweighs the risks described above.

L. WHY IT IS APPROPRIATE THAT NO DEFENDANTS BE NAMED

98 As part of the Substantive Application, the UK Asbestos Trustee intends to seek the permission of the Court to enter into the Proposed Arrangement and make the Amendments to the Trust Deed. To achieve this, it wishes, with the Court's permission, to issue a Part 8 Claim Form without naming defendants pursuant to CPR Rule 8.2A and paragraph 4.2

of Practice Direction 64B. A draft copy of the Part 8 Claim Form is at tab 14. There are a number of important reasons for this:

- (a)** one of the two main holders of Chester Street Trust Claims (Chester Street) has been consulted with and does not object to the Proposed Arrangement and the Amendments and has not requested to be joined as a party to the Substantive Application;
- (b)** even if Chester Street is not a key claimant in the future, it believes at present that it will be and so can independently assess the merits of the Proposed Arrangement and Amendments and represent the interests of both present and future holders of Chester Street Trust Claims;
- (c)** the UK Asbestos Trustee has had an initial meeting with the Secretary of State (the other main holder of Chester Street Trust Claims) and the Secretary of State did not raise any objections at that meeting. The UK Asbestos Trustee will spend further time consulting with the Secretary of State (or his legal advisors) before the hearing of the Substantive Application and does not intend to proceed with the Proposed Arrangement and Amendments if the Secretary of State does raise a substantive objection;
- (d)** it is not possible to identify, consult or join as parties future holders of T&N Trust Claims as it is not possible to know now who will develop an asbestos disease in the future;
- (e)** the Court could require that representative respondents be appointed to represent the various classes of affected claimants who can be identified (i.e. present holders of T&N Trust Claims and present holders of Chester Street Trust Claims). However, the UK Asbestos Trustee would then likely be required to meet the legal and other costs of such respondents. These costs would be paid directly out of the trust assets held by the UK Asbestos Trustee and would thus dilute the funds available to make payments to the claimants that the Proposed Arrangement and Amendments are intended to benefit;

- (f) the Substantive Application will only seek the permission of the Court to enter into the Proposed Arrangement and make the Amendments to the Trust Deed, rather than a direction to do so. Thus the comfort that the UK Asbestos Trustee is seeking in applying for the Court's permission requires full disclosure of all the relevant facts but does not depend on adversarial argument;
- (g) one of the reasons that permission rather than a direction is sought is that the Trust Deed provides that the UK Asbestos Trustee has the power to "make such amendments [to the Trust Deed] as may from time to time appear to be in the best interests of the beneficiaries of the Trust", although the UK Asbestos Trustee must first consult with the Trust Committee.⁵⁴ The UK Asbestos Trustee has consulted with the Trust Committee and they do not object to the Proposed Arrangement and Amendments; and
- (h) respondents to the Substantive Application may come forward at a later stage in the proceedings. The UK Asbestos Trustee has no objection to potential respondents applying to Court to be joined as parties, but the costs of potential respondents (for the reason given at sub-paragraph (b) above) should not be underwritten by the UK Asbestos Trust from the outset.

M. WHO IT IS PROPOSED TO SERVE WITH NOTICE OF THE CLAIM

99 The UK Asbestos Trustee proposes to serve notice of the Part 8 Claim Form on only the following entities and in the following manner pursuant to CPR 19.8A(2) and paragraph 4.3 of Practice Direction 64B:

- (a) Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT as Scheme Administrators of Chester Street Insurance Holdings Limited;
- (b) Lex Dowie of Clyde & Co. LLP as solicitors to the Secretary of State for Business, Innovation and Skills;
- (c) the following additional shipyard parties:

⁵⁴ Clauses 19.1.1 and 9.4.1 of the Trust Deed at tab 2, pages 26 and 16.

- (i) Robert Holkham, Department of Energy & Climate Change, 3rd Floor, Area A, 3 Whitehall Place, London SW1A 2AW (for the Secretary of State);
 - (ii) The Chester Street Employers Associated Limited c/o Pricewaterhouse Coopers LLP
 - (iii) Vintners Engineering PLC, Moor Lane, Derby DE24 8BJ
 - (iv) BAE Systems Marine Limited, Warwick House, PO Box 87, Farnborough Aerospace Centre, Farnborough, Hampshire GU14 6YU
 - (v) VT Group PLC, VT House, Grange Drive, Hedge End, Southampton SO30 2DQ
 - (vi) The Council of the City of Sunderland, Civic Centre, Burdon Road, Sunderland SR2 7DN
 - (vii) Gnitrow Limited, United Technologies c/o Paul Hillman, Marsh UK Limited, Victoria House, Queens road, Norwich NR2 3QQ
 - (viii) Harland & Wolff PLC, DETI Finance Accounts, 1st Floor, Waterfront Plaze, 8 Langanbank Road, Belfast BT1 3BS
 - (ix) The Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN
 - (x) The Association of British Insurers, 51 Gresham Street, London EC2V 7HQ
- (d) the list of law firms which handle asbestos claims set out in the Appendix to this Witness Statement;
- (e) all relevant trade unions namely:
- (i) GMB; and
 - (ii) Unite the Union;
- (f) publish a notice in the Law Society Gazette; and

(g) publish a notice on the UK Asbestos Trustee's website (<https://tandnasbestos.org.uk/>).

100 The UK Asbestos Trustee believes that giving notice to these entities and in that manner will ensure that all those with: (i) the most economically significant T&N Trust Claims and Chester Street Trust Claims; or (ii) the ability to inform and advise individuals who may have T&N Trust Claims and Chester Street Trust Claims, are aware of the Substantive Application and understand what it seeks to achieve.

101 The UK Asbestos Trustee does not consider that it would be necessary or helpful to give notice to all known holders of T&N Trust Claims and Chester Street Trust Claims. This is for the following reasons:

(a) most claimants will no longer have legal representation and will struggle to understand the objective and contents of the Substantive Application;

(b) the UK Asbestos Trustee could not pay for all claimants to take legal advice; and

(c) receipt of notice of the claim by relatives of claimants who have already died will cause them unnecessary distress.

102 The court order that the UK Asbestos Trustee hopes to obtain from the Procedural Application seeks a departure from the default position under CPR Rule 19.8A. A copy of the draft order is at tab 15. The departure requested is that notice of the claim does not have to be served in a way such that any acknowledgment of service automatically adds the acknowledging person as a party to the claim. It would be particularly unsuitable for the law firms and trade unions on whom it is intended to serve notice (set out at paragraph 99 above), who would not normally have standing in this type of claim, to have the right to be automatically joined as parties. The other reason for seeking this departure is the cost which would have to be met out of trust assets, as described more fully at paragraph 98(e) above.

N. WHY HEARINGS ARE NECESSARY

103 The background facts to both the Procedural Application and the Substantive Application are complex and I am advised that the Court would be likely to want to hear the oral submissions of Counsel. Furthermore, the orders sought in the Procedural Application and the Substantive Application are unusual and a hearing will give the Court the opportunity to fully understand the reasons for seeking the permissions which are sought and to raise questions in any areas of uncertainty.

O. PROCEDURAL DIRECTIONS

104 The UK Asbestos Trustee also seeks procedural directions in the form of paragraphs 2-5 of the draft order at tab 15.

105 This is to ensure that there is sufficient time between notice of the Substantive Application being given and the hearing of the Substantive Application to give Trust Claimants sufficient time to consider the Amendments and Proposed Arrangement.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

Signed.....

JAMES JOHN GLEAVE

24 March 2016

APPENDIX

SOLICITOR	ADDRESS(2)	ADDRESS(3)	ADDRESS(4)	ADDRESS(5)	ADDRESS(6)
Agnew Andress Higgins	92 High Street	Belfast	BT1 2DG		
Armstrong James LLP	46 The Avenue	Southampton	SO17 1AX		
Arthur Smiths	32 King Street	Wigan	WN1 1DA		
Ascot Lawyers	Ascentia House	Lyndhurst Road	Ascot	SL5 9ED	
Askews	92-94 Borough Road	Middlesbrough	TS1 2HJ		
Barkers	The Reading House	Po Box 110	Clevedon	BS21 7WF	
Bartletts	Marldon Chambers	30 North John Street	Liverpool	L2 9QN	
Beecham Peacock	7 Collingwood Street	Newcastle Upon Tyne	NE1 1JE		
Ben Hoare Bell	47 John Street	Sunderland	SR1 1QU		
Berrymans Lace Mawer	King's House	42 King Street West	Manchester	M3 2NU	
Biggart Bailie & Gifford	7 Castle Street	Edinburgh	EH2 3AP		
Birchall Blackburn Llp	20 Kennedy Street	Manchester	M2 4BY		
Blackett Hart & Pratt	Kepier House	Belmost	Durham	DT1 1TW	
Boyd Rice & Co	4 Mill Street	Newtownards	Co Down	BT23 3LU	
Boyes Turner	Abbots House	Abbey Street	Reading	RG1 3BD	
Branton Bridge	Cloister House	New Bailey Street	Manchester	M3 5AG	
Bridge Mcfarland	19 South St Mary's Gate	Grimsby	N E Lincolnshire	DN31 1JE	
BRM	Gray Court	99 Saltergate	Chesterfield	S40 1LD	
Broomhead & Saul	3 Hammet Street	Taunton	Somerset	TA1 1QZ	
Browell Smith & Co	1st Floor	10-13 Saville Row	Newcastle upon Tyne	NE1 8JE	
Canter Levin & Berg	1 Temple Square	24 Dale Street	Liverpool	L2 5RL	
Charles Lucas & Marshall	Eastcott House	4 High Street	Swindon	SN1 3EP	

Colemans - Ctts	100 Talbot Road	Stretford	Manchester	M16 0PG	
Coles Miller	44/46 Parkstone Road	Poole	Dorset		
Collings	51 Stamford New Rd	Altrincham	Cheshire	WA14 1DS	
Cooper Sons Hartley & Williams	25 Market Street	Chapel-En-Le-Frith	High Peak	Derbyshire	SK23 0HS
Cooper Wilkin Chapman	The Hall	Lairgate	Beverley	HU17 8HL	
Cordner Lewis	25-26 Neptune Court	Vanguard Way	Cardiff	CF24 5PJ	
Corries	Pentagon House	Washington Street	Glasgow	G3 8AZ	
Corries Solicitors Limited	Melrose Yard	Walmgate	York	YO1 9XF	
Crombie Wilkinson	Clifford House	19 Clifford Street	York	YO1 9RJ	
Dawson Hart	The Old Grammar School	Church Street	Udfield	East Sussex	TN22 1BH
Digby Brown	The Savoy Tower	77 Renfrew Street	Glasgow	G2 3BZ	
Dootson Eckersley	23 Jackson Avenue	Culcheth	Warrington	WA3 4EJ	
Douglas	54 Station Road	Redhill	Surrey	RH1 1PH	
DWF Biggart Baillie	Dalmore House	310 St Vincent Street	Glasgow	G2 5QR	
Dyer Burdett & Co	64 West Street	Havant	Hampshire	PO9 1PA	
EAD	125-131 Picton Road	Liverpool	L15 4LG		
EAD	Prospect House	Columbus Quay	Liverpool	L3 4DB	
Edwards & Co	28 Hill Street	Belfast	BT1 2LA		
Eversheds	Central Square South	Orchard Street	Newcastle upon Tyne	Tyne & Wear	TNE1 3XX
Fentons LLP	5th Floor, Aurora Building	55 Princess Street	Manchester	M2 4EW	
Fieldfisher Waterhouse	Riverbank House	2 Swan Lane	London	EC4R 3TT	
Flynn & Mcgettrick	238 Falls Road	Belfast	N Ireland		
Francis Hanna & Co	32-36 May Street	Belfast	BT1 4NZ		
Gerard Maguire	4A Carleton Street	Portadown	BT62 3EN		
GMS Law	Roxley House	68 Yarmouth Road	Norwich	Norfolk	NR7 0QZ

Godloves PI Limited Greenwoods	8-16 Dock Street 3600 Parkway	Bridge End Solent Business Park	Leeds Whiteley	LS10 1LX Fareham	PO15 7AN
Hamers Harkin Lloyd Harris Fowler Harrowells Harvey Ingram LLP Hattons Hewitts Higgins & Co.	5 Earls Court Suite 293, 2nd Floor 6 Hammet Street 1 St Saviourgate Moorgate House Prudential Buildings 207 Newgate Street 10-12 Whetstone Lane	Priory Park East India Buildings Taunton York 201 Silbury Boulevard 3 Victoria Square Bishop Auckland Charing Cross	Hull Water Street Somerset YO1 8ZQ Milton Keynes St Helens Co Durham Birkenhead	HU4 7DY Liverpool TA1 1RZ MK9 1LZ WA10 1HQ DL14 7EL Merseyside	L2 0QD CH41 2QR
Hill Dickinson LLP Hill Hofstetter LLP Hugh James Ian Mallon Solicitors Ltd Inghams Irwin Mitchell Ison Harrison, Solicitors J A Hughes J M Parsons & Co J M Skinner James Murray Solicitors JMP Solicitors JMW Solicitors Jobling & Knape JSP Solicitors	50 Fountain Street Trigen House Hodge House 49 Patrick Street 37 Red Bank Road Riverside East Duke House 19 Tynwydd Road Unit 6 West End Yard 2 Mortimer Street 41 Merton Road The Genesis Centre 1 Byrom Place 5 Aalborg Square 10/12 Alghitha Road	Manchester Central Boulevard 114-116 St Mary Street Newry Blackpool 2 Millsands 54 Wellington Street Barry 21-25 West End Birkenhead Bootle Garrett Field Spinningfildes Lancaster Skegness	M2 2AS Blythe Valley Park Cardiff Co Down FY2 9HX Sheffield Leeds CF62 8HB Llanelli CH41 5EU Liverpool Birchwood Manchester LA1 1GG Lincolnshire	Solihull CF10 1DY BT35 8EB S3 8DT LS1 2EE SA15 3DN L20 7AP Warrington M3 3HG PE25 2AG	B90 8AB CHESHIRE WA3 7BH

JST Mackintosh	Colonial Chambers	Temple Street	Liverpool	L2 5RH	
Keeble Hawson	14 Princes Street	Doncaster	ND1 3NJ		
Kirby Simcox	72/73 Queen Square	Bristol	BS1 4JP		
Kitson Hutchings	3/4 Vaughan Parade	Torquay	Devon	TQ2 5EF	
L Bingham & Co	Chancery House	52-64 Chancery Lane	London	WC2A 1QU	
Lamb Brooks	Victoria House	39 Winchester Street	Basingstoke	RG21 7EQ	
Larcomes	168 London Road	North End	Portsmouth	Hampshire	PO2 9DN
Lawfords	5 Richbell Place	London	WC3N 3LA		
Lees Solicitors LLP	44/45 Hamilton Square	Birkenhead	Wirral	CH4 5AR	
Leigh Day & Co	Priory House	25 St John's Lane	London	EC1M 4LB	
Leo Abse & Cohen	40 Churchill Way	Cardiff	CF10 2SS		
Levenes	Ashley House	235-239 High Road	Wood Green	London	N22 8HF
Linder Myers	19 Spring Gardens	Manchester	M2 1FB		
Lockings	St Mary'S Court	Lowgate	Kingston upon		
Longden Walker & Renney	14 John Street	Sunderland	Hull	HU1 1YG	
Louis Spragg	Holloway Chambers	Priory Street	SR1 1HZ		
Mackenzie Jones	26 St Asaph Business Park	St Asaph	Dudley	West Midlands	DY1 1EJ
Macks	4 Woodlands Road	Middlesbrough	Denbighshire	LL17 0LJ	
Marrons	58 Jesmond Road West	Newcastle Upon Tyne	TS1 3BE		
Marshall Hally Levy	Saville Chambers	63 Fowler Street	NE2 4PQ		
McArdles	56 Duke Street	Darlington	South Shields	NE33 1NS	
McCluskey Browne	7 Portland Road	Kilmarnock	DL3 7AN		
Mccool Patterson Hemsli	International House	82-86 Deansgate	KA1 2BT		
Mcvey & Murrricane	Albert Chambers	13 Bath Street	Manchester	M3 2ER	
Mills Donkin & Co	Unit 5 The Galleries	Town Centre	Glasgow	G2 1BW	
			Washington	NE38 7SD	

Minnis & Braden	37 Shore Road	Belfast	BT15 3PG		
Molesworth Bright Clegg	Octagon House	25-27 Yorkshire Street	Rochdale	OL16 1RH	
Moore & Partners	Lennox House	Lennox Road	Cumbernauld	G67 1LL	
Moore Blatch Morrish & Co.	48 High Street Solicitors	Lymington Oxford House	Hampshire Oxford Row	Leeds	LS1 3BE
MWR Solicitors	6 Cannon Street	Preston	PR1 3PY		
Norman Jones	27 Hamilton Square	Birkenhead	Wirral	L41 6AZ	
Norton Rose Fulbright LLP	3 More London Riverside	London	SE1 2AQ		
Novum Law	The Paragon	Counterslip	Bristol	BS1 6BX	
O H Parsons & Partners	3rd Floor	Sovereign House	212-214 Shaftesbury Avenue	London	
O'Donohoe	11 Fairview	Dublin 3			
Oliver & Co	Booth Mansion	30 Watergate Street	Chesterfield	CH1 2LA	
Orion Law	PO Box 680	York	YO26 0FX		
Paschal J O'Hare	Donegall House	98/102 Donegall Street	Belfast	BT1 2GW	
Pattinson & Brewer	4th Floor	11 Pilgrim Street	London	EC4V 6RN	
Peter Duff & Co.	34 Main Street	Blackrock	Co Dublin		
Poole Alcock	Mill House	Nantwich	Cheshire	CW5 5ST	
Poole Townsend	69-75 Duke Street	Barrow In Furness	Cumbria Chester Business Park	LA14 1RP CH1 1HE	
Quality Solicitors Oliver & Co	Douglas House	117 Foregate Street	Aberdeen	AB10 1UP	
Quantum Claims	70 Carden Place	Queens Cross	Barnsley	S70 2EG	
Raleys	Regent House	Regent Street	Cleveland	TS10 3DG	
Richard J Knaggs & Co	119 High Street	Redcar	Wilmslow	Cheshire	SK9 5ER
Roberts Jackson	Blackbox Business Centre	Beech Lane			

Robin Thompson Robinson & Murphy	2 Mass House 13 Grey Street	Queensway Newcastle Upon Tyne	Birmingham NE1 6EE	B3 7NR	
Rowley Ashworth	Suite 1B Josephs Well	Hanover Walk	Leeds	LS3 1AB	
Rowley Dickinson	Halifax House	93/101 Bridge Street	Manchester	M3 2GX	
Russell & Russell	43 Market Street	Atherton	Manchester	M46 0GQ	
Russell Worth	2 Endurance House	Parkway Court	Marsh Mills	Plymouth	DEVON PL6 8LR
Rutherfords	6/9 Lady Bank	Tamworth	Staffordshire Newcastle upon Tyne	B79 7NB NE1 3DE	
Shaw & Co Sheridan & Leonard	Three Indian Kings House 19/21 High Street	31 The Quayside Belfast	BT1 2AA 92/94 Newbottle Street	Houghton-le-Spring	TYNE & WEAR DH4 4AJ
Sherwood-Smith Tilley	Britannic Chambers	Po Box 4	3 Collingwood Street	Newcastle upon Tyne	NE1 1JW
Simpson & Marwick Simpson Millar	Collingwood House 21/27 St Paul's Street	4th Floor Leeds	LS1 2JG Newcastle upon Tyne	NE4 6DV	
Sintons	The Cube	Barrack Road	Manchester	M2 3HZ	FAO: Helen Wilson
Slater & Gordon	Solicitors	58 Mosley Street	TS24 7HE	Friary Street	DERBY DE1 1LS
Smith & Graham	Church Square Chambers	Harlepool	Heritage Gate		
Smith Partnership	4th Floor	Celtic House	WN7 1AT		
Stephensons	26 Union Street	Leigh	Manchester	M2 4WU	
Stripes Solicitors	Ship Canal House	King Street	Tyne & Wear	SR1 3PZ	
Thompson & Co.	9 Green Terrace	Sunderland	Glasgow	G2 4HQ	
Thompsons	Berkeley House	285 Bath Street	Manchester	M2 4ER	
Thompsons	23 Princess Street	Albert Square			
Thomson Snell & Passmore	3 Lonsdale Gardens	Tunbridge Wells	Kent	TN1 1NX	
Thring Townsend	6 Drakes Meadow	Penny Lane	Swindon	SN3 3LL	

Tilly Bailey & Irvine	York Chambers	York Road	Hartlepool	TS26 9DP	
Towells	Thornhill House	Thornhill Street	Wakefield	WF1 1NL	
Tranthers	Alderman Gatley House	Civic Centre	Wythenshawe	Manchester	M22 5RW
Treanors	25 John Street	Sunderland	Tyne & Wear	SR1 1JG	
Trethowans	1 London Road	Salisbury	SP1 3HP		
Trinity Law Partnership	Blackthorn House	1-2 Mary Ann Street	St Paul's Square	Birmingham	B3 1RL
Walker Smith & Way	26 Nicholas Street	Chester	CH1 2PQ		
WB Legal	162 Millbrook Road East	Southampton	SO15 1EB		
WBW Solicitors	24 Tor Hill Road	Torquay	Devon	TQ2 5RD	
WE Solicitors	Ivy Mills	Crown Street	Failsworth	Manchester	M35 9BG
Weightmans	Third Floor	60 Charles Street	Leicester	LE1 1FB	
Wheeler's	Vale House	Wharf Road	Ash Vale	Surrey	GU12 5AR
Whitfield Hallam Goodall	23-25 Henrietta Street	Batley	Yorkshire	WF17 5DN	
Widdows Mason	20 King Street	Leigh	Lancashire	WN7 4LR	
Widdows Mason	Delta House	99/101 Bark Street	Bolton	BL1 2AX	
Wolferstans	Deptford Chambers	60-66 North Hill	Plymouth	Devon	PL4 8EP
Woods Solicitors	10 Nicholas Street	Chester	CH1 2NX		
Worthingtons	2 Court Street	Newtownards	Co Down	BT23 7NX	