


DECLARATION OF MICHAEL DUNNING

I, Michael Dunning, declare that the following is true and correct under the penalty of perjury under the Laws of the State of California:

1. My name is Michael Dunning.
2. I am over the age of 18 years old and am a current resident of Sonoma County, CA.
3. I have been employed by the Mandelbrot Law Firm since March 1st, 2006.
4. On Tuesday November 13th 2012, I was present in a conference call that included Michael Mandelbrot and three representatives from ARPC who I understand are currently conducting a review of a random selection of claims submitted by the Mandelbrot Law Firm to the various Asbestos Trusts operated and managed by the Delaware Claims Processing Facility.
5. During the conversation, Gary Wingo from ARPC mentioned they had reviewed a claim with conflicting declarations submitted to the same Trust and would send more detailed information about it so we could investigate.
6. On Tuesday November 13th in the evening, I received an email from Gary Wingo outlining the questions they had regarding our claim submissions.
7. The following morning I began investigating each question and gathering the documentation the Trust was seeking. When I recognized the claim with conflicting declarations was submitted by former Mandelbrot Law Firm employee, John Lynch, I was concerned because in recent months (since Mr. Lynch's employment terminated) I have learned numerous disturbing truths about Mr. Lynch and have been witness to countless examples of his lies, fraud and deceit. Until this time, we had no reason to believe Mr. Lynch's fraud and deceit had ever carried over into claims he was submitting.
8. The claim in question was for Mr. Charles Bone. I decided to print and compare all documents allegedly signed by Mr. Bone since it seemed to me to be unlikely that he would sign two documents with such conflicting information contained. From this review, I discovered that the signature and notary stamp on the second submitted USG affidavit was an identical copy to an affidavit submitted to a different Trust. It also appeared the alignment and text contrast on the affidavit was different to the body of the affidavit, suggesting the second USG affidavit had been fraudulently created without Mr. Bone's knowledge.

9. I immediately contacted Michael Mandelbrot and explained what I had found. Mr. Mandelbrot was appalled at these findings and requested me to immediately begin an internal audit into all affidavits prepared by Mr. Lynch, during his 18 months of employment.
10. I spent the best part of three full days reviewing all affidavits, releases and any other documents that Mr. Lynch had prepared or handled while working for the Mandelbrot Law Firm between November 2010 and June 2012. In my review, I compared all affidavit signatures and notaries to check for copies. I also checked for legitimacy of the text within the affidavits, when I believe the document was falsified, where the falsified document was submitted and the impact it may or may not have had on any claims. My review found 31 clients who have one or more documents I believe to be falsified and 123 clients I believe to have completely genuine documents. It appears the majority of the falsified documents were created between March and June 2012, a period of time that we now know Mr. Lynch was involved in a personal breach and fraud of another Trust, to his own personal benefit to which he was paid in excess of \$26,000.
11. I reported my findings to Mr. Mandelbrot on November 15th. I understand Mr. Mandelbrot contacted any Trusts that were in receipt of these falsified documents and has notified the local authorities.
12. I have reviewed each of these claims in detail. On those pending review or deficient I have withdrawn, regardless of if the fraudulent document is necessary for the claim to be approved. On the claims that have been paid, I have reviewed each and am confident that either A) all claims would have been approved without the fraudulent document and have the necessary supporting documentation or B) we can obtain the necessary document from the client to satisfy the claim requirements.
13. From my audit of all Mr. Lynch's claims I have reached the following conclusion. In the majority of cases the forged document is a verified work history created to fulfill the requirements of the DII Trusts but submitted to more than just these Trusts. In all cases, the employers and dates are accurate but in four cases the occupation has been altered to satisfy Trust requirements. In all other documents altered it appears the work history dates, occupations and sites are genuine. It appears all of these documents were forged due to Mr. Lynch's laziness in having them properly executed and to avoid inconveniencing clients. I only found one case where I could not verify the employment (Charlie Harris). However, I am aware Mr. Harris called our office frequently prior to his death and may have relayed the information in the affidavit to Mr. Lynch which is not supported by documentation in his file.

14. I will relay all documentation and notes from my audit to all Trusts in receipt of any fraudulent document and am willing and able to cooperate with any Trust should there be follow-up questions to their or my review of claims.



Michael Dunning