

RAYTECH
CREDITORS
TRUST

RICHARD A. LIPPE, MANAGING TRUSTEE
ARCHIE R. DYKES, TRUSTEE
STEPHEN C. HALPERN, TRUSTEE
ROBERT F. CARTER, FUTURE CLAIMANTS' REPRESENTATIVE
JACK FEINBLATT, C.P.A., EXECUTIVE ADMINISTRATOR

THE CHANCERY
190 WILLIS AVENUE, MINEOLA, NY 11501
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December 19, 2011

Dear Claimants' Counsel:

Following a recently completed actuarial study, the Raytech Corporation Asbestos Personal Injury Settlement Trust ("Raytech Trust") has approved a reduction in the payment percentage from 2.0% to 0.84% effective as of November 29, 2011.

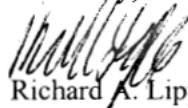
Under the Trust Distribution Procedures, the Trustees are required to periodically reconsider the payment percentage, consistent with the requirement of treating present and future claimants as equitably as reasonably possible. The decision to reduce the payment percentage is based on the evaluation of updated information regarding claim filing trends, settlement values, asset performance, processing costs and other factors that determine what fraction of Raytech settlement value of each allowable claim the Trust can afford to pay. Most notably, the overriding factor has been the filing with the Trust of thousands of claims that arose either prior to Raytech's bankruptcy filing or within the first few years of the bankruptcy process that had previously been assumed to have been abandoned.

In formulating the reduced payment percentage, the Trustees relied on advice from their actuarial and financial experts, who have a long history of working with trusts similar to Raytech, as well as on the advice and consent of the Raytech Trust Trustees Advisory Committee ("TAC") and the Raytech Future Claimants' Representative. Even with continued sound management of Trust assets, the Trust will never be able to pay more than a fraction of the fair value of individual valid claims.

The Trustees have instructed the Claims Processing Facility, Inc. to issue payment for any claim with an outstanding settlement release and offer issued prior to the effective date of the reduced payment percentage at the initial 2.0% payment percentage upon receipt of a properly executed release. Until further notice, any initial offer issued after November 29, 2011 will be paid at the 0.84% payment percentage upon receipt of a properly executed release.

Should you have any questions, please contact Melanie Impastato (630-281-6522) melanie.impastato@cpf-inc.com or Teena Mandele (630-281-6501) teena.mandele@cpf-inc.com at the Claims Processing Facility.

Sincerely,


Richard A. Lippe
Managing Trustee