

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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July 20, 2009

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**SENT VIA FIRST-CLASS
AND ELECTRONIC MAIL**

Dear Mr. Caldwell:

Re: *Attorney General v Gelman Sciences, Inc.*
Washtenaw County Circuit Court File No. 88-34734

By a letter dated June 23, 2008, the Department of Environmental Quality (DEQ) summarized outstanding issues and areas of Pall Life Science's (PLS) noncompliance with the requirements of the 1992 Consent Judgment entered between the State of Michigan and Gelman Sciences, Inc., and subsequent orders entered by the Court to address the area wide 1,4-dioxane contamination related to the former Gelman Sciences facility located at 600 S. Wagner Road in Scio Township, Michigan. The letter demanded certain actions by PLS, including further investigation.

PLS responded to that letter indicating that it intended to pursue modification of the Consent Judgment, rather than comply with the requirements of the DEQ's letter. The State has always maintained that current clean up requirements of the Consent Judgment, as supplemented by subsequent Court orders, remain in effect. However, in a spirit of cooperation, the DEQ stayed further enforcement to give PLS an opportunity to submit its proposal to modify the clean up objectives for the Site.

PLS submitted its Comprehensive Proposal to Modify Cleanup Program on May 4, 2009. DEQ reviewed the Proposal to the extent possible, given the time frame for review provided by the Court's schedule in its Modification Procedures Order (as modified). By a letter dated June 15, 2009, the DEQ informed PLS that it was unable to approve the PLS Proposal in its current form and identified several items that needed to be addressed, at a minimum, to enable PLS to submit an approvable proposal. The DEQ also indicated its willingness to discuss other options that could address the DEQ's concerns at a meeting scheduled for June 22, 2009.

PLS cancelled the June 22, 2009 meeting by an June 17, 2009 e-mail from Mr. Farsad Fotouhi to Ms. Sybil Kolon, noting an "extreme gap between our positions." Based on PLS's response, the DEQ suspended any further consideration of the PLS Proposal. It is our understanding that PLS now intends to seek relief from the Court within the extended timeframe agreed to by the Washtenaw County Circuit Court for filing disputes or a motion to approve modifications to the Consent Judgment.

Michael Caldwell

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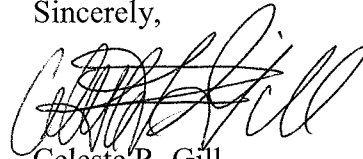
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As stated above, the existing remedial scheme remains in effect unless or until it is modified by an order of the Court. Although the investigation PLS has conducted in the past year to support its proposal addressed some of the concerns outlined in the DEQ's June 23, 2008 letter, none of these concerns have been fully resolved.

The State remains open to further discussions aimed at resolving any outstanding issues between the parties, however, PLS's termination of the discussions to modify the remedial objectives of the Consent Judgment and its continued noncompliance with certain existing requirements (as identified in the June, 23, 2008 letter), leaves the State with no choice but to seek appropriate relief in the Washtenaw County Circuit Court to enforce PLS's obligations under the Consent Judgment and applicable law.

Do not hesitate to contact me if you have any questions or wish to discuss any outstanding issues.

Sincerely,



Celeste R. Gill

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and Agriculture Division
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CRG:ajy

c: Alan Wasserman, Esq.
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